



### Abril is present in the lives of millions of Brazilians

The Abril group is one of the largest and most influential communications groups in Latin America, providing information, culture, education, and entertainment to practically all segments of the population, as well as operating in an integrated manner in a number of media.

Since its foundation in 1950, Abril's reputation and credibility have been its most valuable assets. The group now employs over 7,440 people and comprises the following companies: Editora Abril (magazines), the publishing houses Ática and Scipione (textbooks), TVA (pay TV, broadband Internet), Abril Digital (Abril.com and content for digital cell phones), and MTV (age-specific TV programming).

Editora Abril published 318 titles in 2006 (111 regular editions and 207 one-off and special editions) and is the absolute market leader in all of the segments in which it operates. Over the course of the year its publications enjoyed a total circulation of 164.6 million copies, with more than 22 million readers and 3.7 million subscriptions. Seven of the country's 10 most popular magazines are published by Abril, and *Veja* is the fourth-largest weekly current affairs magazine in the world and the largest outside of the United States.

Abril also leads the Brazilian textbook market with the publishing houses Ática and Scipione, which together publish more than 4,000 titles and control 30% of Brazil's private textbook market. In 2006 they published 30 million textbooks.

In 1991, Abril was a pioneer in the area of pay-TV with the launch of TVA, the first operator in Brazil to offer digital TV, broadband Internet. Abril also has a strong presence on the Internet, providing exclusive access to over 70 sites to all magazine, TVA, and Ajato service subscribers.

MTV introduced Brazil's first age-specific TV programming in 1990. The channel now reaches 18 million homes in 300 cities, in 39% of Brazil's residences.

The Victor Civita Foundation, founded in 1985 to improve elementary education in Brazil, was Abril's first social responsibility project. With its magazine *Nova Escola*, the foundation reaches 1.5 million teachers in practically all of the country's schools on a monthly basis. In addition to its volunteer support work and the talent of its professionals, Abril provides resources for a number of initiatives to reinforce the company's ties with the community, and to foster education, culture, environmental conservation, health, and volunteer work on a range of citizenship and social inclusion projects.

Throughout its history, the Abril Group has created awards to recognize and reward good business practices and those who make a difference in society:



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#### Grupo Abril

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**Read more about the Abril Group and its companies:**

### **Corporate Administration**

The Abril Group is now managed by the Board of Directors and the Executive Committee. The Board of Directors has nine members, two of whom are independent, and is responsible for defining the organization's strategic policies, which are then put in practice by the Executive Committee. The Board of Directors also has a Human Resources Committee, a Finances Committee, and an Audit and Risk Committee, which has three outside members and is responsible for validating the group's financial statements and supervising internal and external audits.

### **Board of Directors:**

As a result of its new administrative structure, Abril took on independent board members in early 2004.

Current board members are: Claudio Haddad, economist, president of Ibmecc São Paulo, and president of the board of directors of Veris Educacional; Marcel Telles, board member of Ambev/Inbev; Roberto Civita, chairman of the board, president and editor of Editora Abril; Giancarlo Civita, executive president of the Abril Group; Thomaz Souto Corrêa, vice-president of the editorial board; José Augusto Moreira, former vice-president of the group; Víctor Civita, director of Abril Digital and political scientist graduated from Columbia University; Patrick Morin, president of Morin Assessoria Empresarial; Jim Volkwyn, president of global operations of MIH; and Hein Brand, general director of Media 24.

### **Partnership with the Naspers Group**



On May 5, 2006 Abril announced its partnership with the South African media group Naspers, which acquired 30% of the Abril Group's capital for US\$ 422 million. This included the sale of the 13.8% acquired by Capital International, Inc. on July 7, 2004. The deal was made possible by a 2002 constitutional amendment, which allows foreign investors to hold up to 30% of the capital of media companies.

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Editora Abril leads the Brazilian magazine market. Its titles are a benchmark in the areas of current affairs, well-being, home and construction, celebrities, shopping, behavior, culture, sports and motor vehicles, business, technology, and tourism, as well as men's, children's, and teen magazines. Abril published seven of the country's most widely read magazines, and *Veja* is one of the four largest weekly current affairs magazine's in the world.

- **318 titles and 164.6 million copies per year in Brazil** <sup>(1)</sup>
- **22 million readers** <sup>(2)</sup>
- **3.7 million subscriptions** <sup>(3)</sup>
- **52% share of audited circulation** <sup>(4)</sup>
- **52% of the subscriptions delivered in Brazil** <sup>(4)</sup>
- **56% of publicity revenue from magazines in Brazil** <sup>(5)</sup>
- **7 of the 10 most widely-read magazines in the country are published by Abril: *Veja*, *Nova Escola*, *Claudia*, *Superinteressante*, *Caras*, *Manequim* and *Nova*** <sup>(6)</sup>

Source: (1) IVC + Dinap 2006, (2) *Projeção Brasil Leitores - Marplan 2006*, (3) DBM Abril Dez 2006, (4) IVC Jan/Oct 2006, (5) *Projeto Intermeios Jan/Sep 2006*, (6) IVC annual average 2006.

### **Veja**

As Brazil's most important, most influential, and biggest weekly current affairs magazine, *Veja* has an almost 40-year history of success, some of the articles that have changed Brazil, and a social, economic, and political importance hitherto unheard of in the history of Brazilian publications.

- **1196 million copies per week** <sup>(1)</sup>
- **906,966 subscribers** <sup>(1)</sup>
- **7,950,000 readers** <sup>(2)</sup>

Source: (1) IVC jan/aug 2007, (2) *Projeção Brasil Abril - Marplan/IVC 2006*.

### **Gráfica Abril**

With 52,500 m<sup>2</sup> of facilities and an output of 350 million copies, including magazines, supplements, and special editions, Abril's printing plant, Gráfica Abril, is considered the largest in Latin America, and the only one with gravure printing facilities. It uses filmless and CTP (computer-to-plate) processes, which speed up magazine production and guarantee ever-improving print quality. The printing is totally integrated with logistics and distribution, making the plant highly productive and competitive. Since June 2001, through a partnership with the Canadian group Quebecor, the printing of *Veja* has been decentralized and the sections destined for the North and Northeast of the country are now printed in a new, modern printing facility in Recife. In March 2002, through a partnership with Donnelley, Gráfica Abril began to outsource services to third parties. It is particularly competitive in the area of large and medium-scale gravure print runs.

- **77 magazines are printed per month and 14 million books are printed per year** <sup>(1)</sup>
- **120 thousand tons of paper are used per year** <sup>(1)</sup>
- **350 million copies are printed, including magazines, supplements, and special editions** <sup>(1)</sup>

Source: (1) Gráfica Abril annual average 2006

### **Dinap – Distribution**

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The Abril Group has its own operations for the distribution of magazine and books to newsstands and retail outlets through Dinap (National Publication Distributor), which, in addition to distributing all of Abril's publications, also outsources services to other publishing houses. Abril also has the most complex subscription operation in the country, making home-deliveries to 96 percent of its subscribers throughout Brazil.

#### **Dinap:**

- **services 19 thousand newsstands and 10 thousand sales outlets in Brazil** <sup>(1)</sup>
- **has 124 regional distributors** <sup>(1)</sup>
- **has 2 of its own distributors, 1 in São Paulo and 1 in Rio de Janeiro** <sup>(1)</sup>

#### **Home Delivery of Subscriptions:**

- **2,400 cities in Brazil** <sup>(2)</sup>
- **96% of subscriptions are home-delivered** <sup>(2)</sup>
- **3.7 million subscriptions** <sup>(2)</sup>

Source: (1) Dinap

Source: (2) DBM Abril

#### **DataListas**

In 1996 Abril created DataListas, specialized in database marketing, to provide support for its own operations and outsource the service to third parties. Over the years, DataListas has become a market leader in database marketing services in Brazil. It has the country's largest database (with 11 million names, in 7.7 million homes, of which 4.5 million come from authorized emails), which it uses for direct marketing and CRM activities.

#### **Abril Digital**

Through the portal [www.abril.com.br](http://www.abril.com.br) Internet users have access to Abril's entire magazine content, in a total of 70 sites. In 2006, more than 1.2 billion page views were registered, with approximately 10.7 million unique visitors. The portal contains publications, interactive tools, exclusive videos, services, photo galleries, complimentary articles, information for advertisers, and online commerce.

- **70 interactive sites**
- **over 1.2 billion page views in 2006** <sup>(1)</sup>
- **10.7 million unique visitors** <sup>(1)</sup>
- **content for digital cell phones, handhelds and voice systems, news, services, and leisure – anytime, anywhere**

Source: <sup>(1)</sup> Wusage - Jan/Nov 2006



In February 2004, the Abril Group acquired 100% of the shares of the publishing houses Ática and Scipione, leaders in the Brazilian textbook market with a 30% of the market. The purchase of these publishing houses represents the Abril Group's return to the industry, in which it was a pioneer in the 1970s.

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- catalogue of 4,316 titles <sup>(1)</sup>
- 30 million copies sold in 2006 <sup>(1)</sup>
- sites providing pedagogical support for teachers <sup>(1)</sup>

Source: (1) Abril Educação



Created in 1991, TVA was Brazil's first pay TV company. With diverse programming, it provides entertainment, information, culture, and education to subscribers on a daily basis. The operator has a qualified support infrastructure and distributes its services using cable technologies (digital and analogical). Its portfolio of products includes:

- **TVA Digital:** digital pay TV service, available in 100% of the greater São Paulo metropolitan area. It offers over 100 channels with sound and image-quality comparable to that of DVD, interactivity, and more than 25 package options.
- **TVA DVR:** (Digital Video Recorder): this service allows subscribers to watch their favorite programs at any time of the day, with instant replay and pause functions.
- **TVA HDTV:** Brazil's first commercial HDTV transmission began in June 2006, alongside Gradiente and the Bandsports channel. TVA's HDTV supports any of the open digital TV standards, including the Japanese standard - ISDB, chosen by the government.
- **Ajato:** TVA's broadband service, with a single access solution as provider of free content, a guarantee of 90% of the service contracted, unlimited data traffic, and a variety of speeds. It has 55 thousand subscribers distributed across cable and MMDS technologies. It also offers products such as Ajato Wi-Fi (wireless Internet) and Ajato TEF (broadband Internet for electronic credit card transactions).
- **TVA Voz:** VOIP service, offering portability and savings on long distance telephone calls.
- **WiMAX:** since March 2006, TVA has been conducting pioneering tests on WiMAX technology in Latin America. Mobile WiMAX is certain to become an important tool in digital convergence and will give users long-distance mobile wireless broadband access.



MTV Brasil was launched in 1990 through a partnership with Viacom (USA), the world's largest entertainment group. It is the biggest and most important age-specific TV channel in Brazil.

- coverage of 18 million homes in 300 Brazilian cities <sup>(1)</sup>
- 7 million viewers per month, 15 to 29 years of age, from the upper and middle classes <sup>(1)</sup>
- 100% local programming produced and edited in Brazil <sup>(1)</sup>
- the MTV magazine was launched in March 2001 <sup>(1)</sup>

Source: (1) Departamento Afiliadas MTV - 2006

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## SOCIAL PROFILE



Created in 1985, the Victor Civita Foundation's mission is to help improve the quality of elementary education, especially in public schools with fewer resources, and to invest in Brazilian teachers as professionals, human beings, and citizens. It publishes the magazine *Nova Escola*, the largest communication channel with Brazilian teachers. Publishing 560 thousand copies per month, it reaches 200 thousand public and private schools across the country, 1.5 million elementary education teachers, and over 25 million students. It is distributed for free or at subsidized prices. The foundation also produces the weekly guide *Veja na Sala de Aula*, which is distributed to public and private schools. This publication is a high-quality complimentary pedagogical tool that brings facts from Brazil and the world into the classroom.

### **Nova Escola Magazine:**

- 560 thousand copies per month <sup>(1)</sup>
- reaches 1.5 million teachers
- is distributed to 200 thousand public elementary schools
- benefits 25 million students

Source: (1) IVC - annual average 2006

### **Atlantic Forest Reforestation**

The site [www.clickarvore.com.br](http://www.clickarvore.com.br) is a program to foster the reforestation of the Atlantic Forest through the Internet. Launched in September 2000, it is a partnership between Abril, the SOS Mata Atlântica Foundation, and Vidágua Institute for the Environment. In its seven years of existence, more than 12 million seedlings have been donated.

### **Abril Volunteer Support Program**

The Mãos à Obra Project encourages the group's employees to engage in volunteer work, and supports, promotes, recognizes, and publicizes the work carried out by 100 of the company's employees and collaborators in 100 institutions.

### **Participation in CEN (National Board for the Prevention of HIV/AIDS)**

Abril is one of 24 partner companies invited by the Ministry of Health to sit on the National Board for the Prevention of HIV/AIDS, working to mobilize people and raise awareness about preventing the illness. Another important initiative is MTV's decision to dedicate an entire day of its programming to discussing the issue; always on December 1, World AIDS Day.

### **Child Disarmament Campaign**

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Abril's distributor Dinap runs a Child Disarmament Campaign to encourage the exchange of toy weapons for children's magazines. From 2001 to 2006, 550 thousand toy weapons were exchanged for magazines in 195 campaigns in 161 cities throughout Brazil.

### **Revisteca (Magazine Library)**

Created by **Dinap** and supported by its distributors, **Revisteca Abril** regularly donates copies of Abril's magazines and creates reading areas in public and private libraries and schools. The aim of the initiative is to encourage reading habits, offering free access to a range of publications with high-quality content by Editora Abril and other partner publishers. Every trimester, Dinap sends participating libraries and schools approximately 33 different titles, including magazines and collections.

The first **Revisteca** was inaugurated in June 2005, in Diadema, São Paulo, at the Centro Habitacional da Vila Socialista library. Since then, over 200 entities have joined the program, which is now present in all Brazilian states.

### **TVA na Escola (TVA at School)**

**TVA na Escola** was born in August 2004 as the result of a partnership between **TVA**, the **Victor Civita Foundation**, the publishing houses **Ática** and **Scipione**, and **Intel**. Thanks to the program, a number of municipal and State schools now have access to state-of-the-art technology (cable TV and broadband Internet), quality content, tool-use methodology, and ongoing work assessment - implementing the most modern and innovative educational resources.

Today, over 75 thousand public school students are benefited by the program in the city of São Paulo, and TVA has recently extended the project into the city of Rio de Janeiro with the digitalization of pay TV transmission.

The new school format proposed by TVA and its partners offers schools a computer lab and classrooms with pay-TV technology, in addition to teacher training and the supervision of activities to guarantee the success of the project.

### **Free Publicity Space**

Abril provides publicity pages to benefit a number of non-profit organizations. In 2006, 24 nationally recognized non-profit entities and institutions were provided with 27 publicity pages.

### **Teatro Abril**

Abril lends its name to one of the oldest theatres in São Paulo, the former Paramount Theatre, in support of the movement to revitalize downtown São Paulo.



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