

**ADVERTISING AND OTHER REVENUES GREW 43%,
ACCOUNTING FOR 52% OF TOTAL REVENUES**

São Paulo, Brazil, August 12, 2010 – UOL (BM&FBOVESPA: UOLL4) announces today its consolidated results for 2Q10. The Company's Quarterly Results were prepared in accordance with Brazilian accounting practices ("BR GAAP") and standards established by the Brazilian Securities and Exchange Commission (CVM) applicable to the interim financial statements.

**2Q10 Results**

Conference Calls:

August 13, 2010**English****10:00 a.m. US EDT**

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ri@uolinc.com**FINANCIAL AND OPERATING HIGHLIGHTS**

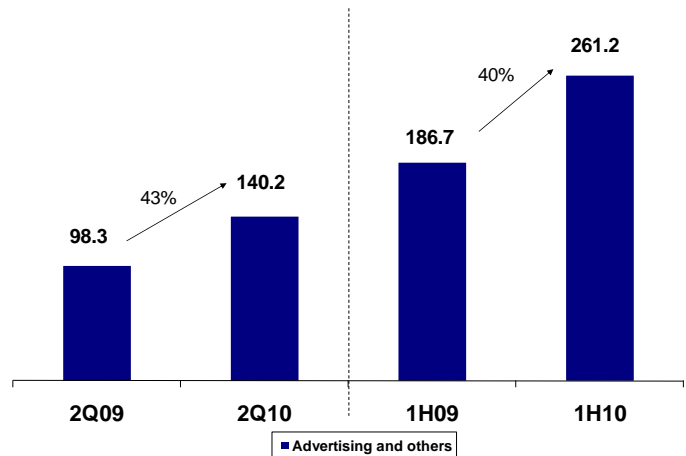
- **Advertising and other revenues totaled R\$ 140.2 million** in 2Q10, **43% higher than in 2Q09**, driven by the performance of revenues from advertising in the diverse formats we provide to our advertisers, as well as the growth in revenues from products available in our online platform. Compared to 1H09, advertising and other revenues grew by 40%, to R\$261.2 million. **Subscription revenue** slightly decreased in the **period**, which attests to the quality of the services provided to our subscribers and users.
- **EBITDA totaled R\$ 85.7 million** in 1H10, 12% higher than in 1H09, with EBITDA margin of 22% and **R\$ 45.5 million** in 2Q10, 35% up on the same period of 2009, with EBITDA margin of 23%, 3 p.p. up over 2Q09.
- **Gross margin was 70% in 2Q10**, 5 p.p. up on 2Q09, and 69% in 1H10, remaining stable when compared to same period in 2009.
- **Net income came to R\$31.1 million** in 2Q10, representing a 31% increase year-on-year.
- The **number of paying broadband subscribers** reached **1.3 million**, an increase of 3.2% over 1H09.
- UOL was awarded for the second consecutive time by the *Exame* magazine for the best performance in the competitive digital industry.
- Audience grew above overall market, in a clear sign of the quality and importance of our content.
- UOL Host reached the milestone of 1,000 corporate clients two years after its launch in April 2008.

Revenues from Services

Gross revenue from services totaled R\$ 521.4 million in 1H10, 17% up on 1H09, driven by the 40% growth in advertising and other revenues, which increased from R\$ 186.7 million in 1H09 to R\$ 261.2 million in 1H10, reflecting the performance of advertising revenues and the growth in revenues from products available in our online platform.

Subscription revenue was R\$260.2 million in 1H10, remaining stable in relation to the R\$260.6 million reported in 1H09, proving the relevance of our content and the quality of the services we provide to our subscribers.

The paying subscriber base came to 1.7 million in 1H10, of which 1.3 million were broadband subscribers, 3% more than in 1H09.



Total deductions from gross revenue remained stable in 1H10, representing 26.5% of total gross revenue. Net revenue totaled R\$ 383.0 million in the period, an 18% increase over the R\$325.1 million reported in 1H09.

Cost of Services

Cost of services totaled R\$117.6 million in 1H10, 16.4% up on 1H09, due to the increase in the number of clients using our products, as well as, the costs related to seasonal events as the World Cup and the Winter Olympic Games.

Gross Profit

Gross Profit came to R\$ 265.4 million in 1H10, 18.5% more than the 1H09 figure of R\$ 224.0 million, and totaled R\$ 139.3 million in 2Q10, 29% up on the R\$ 107.8 million reported in 2Q09.

Selling Expenses

Selling expenses amounted to R\$104.2 million in 1H10, up 21.4% on 1H09, mainly due to the expansion of the products sales team and marketing costs related to the development of said products.

General and Administrative Expenses

General and administrative expenses came to R\$ 78.6 million in 1H10, up 28.3% on 1H09, resulting from the increase in collection costs as a result of the growth in sales and related costs.

Depreciation and Amortization

Depreciation and amortization expenses increased from R\$37.4 million in 1H09 to R\$40.5 million in 1H10, reflecting the start-up of the UOL Data Center at the end of 1Q10.

Financial (Expenses) Revenue

In 1H10, the net financial result totaled R\$22.1 million, R\$1.9 million down from 1H09, mainly due to the lower interest rates in 2010.

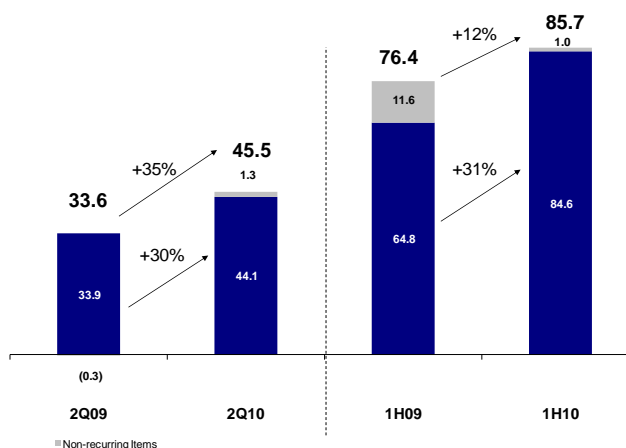
Income Tax and Social Contribution

Current income tax and social contribution totaled R\$ 5.1 million in 1H10, compared to R\$ 5.9 million in 1H09. The deferred income tax and social contribution in 1H10 was an expense of R\$7.6 million against credit of R\$3.5 million reported in 1H09.

EBITDA

EBITDA in 1H10 was R\$85.7 million, a 12% increase year-on-year. EBITDA margin was 22%, a 2 p.p. drop from 1H09.

The key driver of EBITDA growth, excluding the non-recurring items, was the growth in the Company's revenues and its capacity to maintain the cost of services under control, leading to an improvement in Gross Profit. Year-to-date EBITDA, excluding non-recurring items, was 31% higher than in 1H09.



The following table shows the EBITDA calculation:

(in R\$ million)

	2Q09	2Q10	1H09	1H10
Net income (loss) for the period	23.8	31.1	60.6	54.6
Financial Results	8.6	13.8	24.0	22.1
Depreciation and amortization	(19.7)	(21.4)	(37.4)	(40.5)
Income and social contribution taxes	(3.1)	2.4	(5.9)	(5.1)
Deferred income and social contribution taxes	4.4	(9.1)	3.5	(7.6)
EBITDA before non-recurring income (expenses)	33.6	45.5	76.4	85.7
EBITDA Margin before non-recurring income (expenses)	20%	23%	24%	22%
Non-recurring income (expenses)	(0.3)	1.3	11.6	1.0
EBITDA after non-recurring income (expenses)	33.9	44.1	64.8	84.6
EBITDA Margin after non-recurring income (expenses)	20%	22%	20%	22%

¹ EBITDA is income (loss) from operations plus income tax and social contribution, revenue from non-consolidated interests, net financial revenue (expenses), depreciation and amortization, and interest of minority shareholders, according to CVM Official Letter 01/2007. EBITDA is not a measure used in the accounting practices adopted in Brazil or the generally accepted accounting practices in international standards (IFRS). It does not represent the cash flow for the periods presented and should not be considered an alternative to net income as an indicator of our operating performance or an alternative to cash flow as an indicator of liquidity. EBITDA does not have a standardized meaning and our calculation of EBITDA may not be comparable to the EBITDA or adjusted EBITDA of other companies. Even though EBITDA does not provide a measure of operating cash flow adopted in the Brazilian GAAP or international market, our management uses EBITDA to measure the Company's operating performance. Additionally, we understand that certain investors and financial analysts use EBITDA as an indicator of a company's operating performance and/or its cash flow.

Net Income and Earnings per Share

Net income was R\$54.6 million in 1H10, 10% down on 1H09, with earnings per share of R\$0.46.

Liquidity and Capital Resources
Operating Activities

In 1H10, cash generated from operations was R\$31.3 million, compared to R\$93.1 million in 1H09. The decline was mainly due to the lower level of investments redemptions.

Investment Activities

Investments in the period resulted in a total cash outflow of R\$39.8 million, versus R\$367.2 million in the corresponding period in 2009.

Financing Activities

The closing balance of the financing activities in for 1H10 was a net disbursement of R\$0.8 million, mainly influenced by bank loans and financing of R\$6.6 million and the share buyback program amounting to R\$4.2 million.

Balance Sheet

On June 30, 2010, the Company had loans and financing, including interest booked and principal, amounting to R\$73,0 million, while its cash, bank and consolidated financial investments totaled R\$579.9 million, resulting in net cash of R\$506.9 million.

Shareholders' equity increased from R\$863.6 million in December 2009 to R\$917.9 million in June 2010, due to the net income of R\$54.6 million generated in the period.

Audience

In June 2010, we reached 2,152 million page views, 26% up year-on-year, average time spent online of 1 hour 15 minutes and 32 seconds, and 20.6 million unique visitors, according to the Home panel of IBOPE Nielsen Online.

	June-09	June-10	Change % 10x09
Page views (million)	1,703	2,152	26%
Unique visitors (thousand)	17,613	20,625	17%
Reach (% of Brazilian Internet users)	69%	71%	+2p.p.
Time spent online (hours:min:sec)	1:12:45	1:15:32	4%

Source: IBOPE Nielsen Online (portal audience, home panel, brand, excluding Internet applications).

EXHIBIT I – INCOME STATEMENT

(In R\$ million)

	2Q09	2Q10	Δ 2Q10 x 2Q09	1H09	1H10	Δ 1H10 x 1H09
Gross revenues for Services	228.0	269.5	18%	447.2	521.4	17%
Subscriptions	129.7	129.2	0%	260.6	260.2	0%
Advertising and other	98.3	140.2	43%	186.7	261.2	40%
Deductions	(62.3)	(70.3)	13%	(122.1)	(138.4)	13%
Net revenues for Services	165.7	199.1	20%	325.1	383.0	18%
Cost of Services	(57.9)	(59.9)	3%	(101.1)	(117.6)	16%
Gross profit	107.8	139.3	29%	224.0	265.4	18%
Operating income (expenses)	(94.0)	(115.2)	23%	(185.0)	(220.2)	19%
Selling expenses	(43.6)	(59.1)	36%	(85.9)	(104.2)	21%
General and administrative expenses	(30.3)	(38.2)	26%	(61.3)	(78.6)	28%
Depreciation and amortization	(19.7)	(21.4)	9%	(37.4)	(40.5)	8%
Equity Income	-	-	0%	-	-	0%
Outros resultados com investimentos	-	1.3	na	-	1.3	na
Other operating revenues (expenses)	(0.3)	2.1	na	(0.4)	1.8	na
Operating Income before financial results	13.9	24.0	73%	39.0	45.2	16%
Financial Results	8.6	13.8	61%	24.0	22.1	-8%
Financial expenses	5.8	(1.7)	na	(2.9)	(14.0)	383%
Financial income	44.3	19.7	-56%	68.5	37.7	-45%
Net foreign exchange variation	(41.6)	(4.2)	-90%	(41.6)	(1.6)	-96%
Income from operations	22.4	37.8	69%	63.0	67.3	7%
Income before income taxes, social contribution taxes and minority interest	22.4	37.8	69%	63.0	67.3	7%
Income and social contribution current taxes	(3.1)	2.4	na	(5.9)	(5.1)	-14%
Income and social contribution deferred taxes	4.4	(9.1)	na	3.5	(7.6)	na
Income before minority interest	23.8	31.1	31%	60.6	54.6	-10%
Minority interest	-	-	na	0.0	-	na
Net income for the period	23.8	31.1	31%	60.6	54.6	-10%

EXHIBIT II – BALANCE SHEET

(In R\$ million)

	03/31/10	06/30/10
ASSETS		
CURRENT:		
Cash and banks	7.6	6.1
Temporary cash equivalents	563.9	573.8
Unrealized gain on sw ap transaction	-	-
Trade accounts receivable	168.3	186.6
Accounts receivable from related parties	2.9	3.7
Recoverable taxes	8.8	12.8
Deferred taxes	16.1	19.4
Advances to suppliers	5.6	4.8
Prepaid expenses	11.2	10.8
Escrow deposits	-	-
Other receivables	2.0	3.3
Total Current Assets	786.5	821.4
NON-CURRENT		
Long-Term Assets:		
Trade accounts receivable	2.0	0.7
Escrow deposits	62.1	63.8
Recoverable taxes	0.1	-
Deferred taxes	84.5	78.7
Related Partiess	0.1	0.1
Prepaid expenses and other	6.1	5.5
Other receivables	0.0	0.0
Total Long-term assets	155.0	148.9
Permanent Assets:		
Investment in subsidiaries	-	-
Property and equipment	133.8	138.0
Intangible assets	145.6	146.8
Total Permanent Assets	279.4	284.8
Total Non-current assets	434.3	433.7
TOTAL ASSETS	1,220.9	1,255.1
LIABILITIES		
CURRENT:		
Trade accounts payable	96.3	104.8
Suppliers – related parties	3.2	4.6
Non-realized loss on “sw ap” operation	11.3	10.6
Loans and Financing	7.3	9.7
Payroll and related charges	26.2	33.4
Taxes payable	16.2	13.5
Deferred taxes	4.9	11.4
Reserve for contingencies	3.7	3.4
Proposed Dividends	1.3	-
Advances from customers	29.5	31.9
Other payables	22.1	23.2
Total Current liabilities	222.0	246.5
NON-CURRENT		
Long-term liabilities		
Suppliers	2.8	-
Related Partiess	-	-
Loans and Financings	64.7	63.3
Provision for losses in subsidiaries	-	-
Taxes payable	1.0	0.5
Deferred taxes	16.9	16.2
Reserve for contingencies	10.2	7.0
Other payables	18.7	3.8
Non-current liabilities	114.2	90.8
MINORITY INTEREST	1.4	0.0
SHAREHOLDERS' EQUITY		
Capital	530.6	530.6
Legal Reserve	17.1	17.1
Profit retention reserve	320.4	320.4
Retained Earnings	23.5	54.6
Treasury stocks	(4.6)	(4.6)
Adjustments from asset evaluation	(3.7)	(0.1)
Total of Shareholder'Equity	883.2	917.9
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,220.9	1,255.1



EXHIBIT III – CASH FLOW

(In R\$ million)

	06/30/09	06/30/10
CASH FLOW FROM OPERATING ACTIVITIES		
Net Income for the period	60.6	54.6
Items not requiring cash outlay:		
Depreciation and amortization	39.8	43.2
Loss on property, equipment and intangible	-	0.7
Additional Provision for losses in subsidiaries	-	-
Equity Result	-	-
Current Income taxes and social contribution	-	-
Deferred Income taxes and social contribution	(3.5)	7.6
Increase in (reversal of) allowance for doubtful accounts	22.0	26.6
Minority interest	(0.0)	-
Increase in (reversal of) allowance for doubtful accounts	6.1	3.5
Unrealized gain from "sw ap" transaction	(22.0)	-
Unrealized loss from "sw ap" transaction	-	10.6
Interest, financial income and exchange rate change, net	0.4	(34.4)
Changes in operating assets and liabilities	-	-
Trade accounts receivable	(46.7)	(50.8)
Recoverable taxes	2.3	6.4
Deferred Taxes	-	-
Advances to suppliers	(1.4)	(3.8)
Escrow deposits	3.9	(8.3)
Prepaid expenses	0.1	(3.8)
Other receivables	(16.5)	(2.0)
Other payables	19.1	(9.8)
Trade accounts payable	(41.1)	(14.2)
Payroll and related charges	0.3	2.3
Taxes payable	5.3	(1.3)
Advances from customers	3.6	6.4
Increase in short term investments	(9.9)	(40.7)
Redemption of cash investments	74.4	45.1
Cash provided by operating activities	96.6	38.0
Income tax and social contribution paid	(2.9)	(5.6)
Interest paid	(0.6)	(1.0)
Net cash provided by operating activities	93.1	31.3
CASH FLOW FROM INVESTING ACTIVITIES		
Investments		
Acquisition Goodwill		
Investments - Capitalization	(45.7)	-
Property and equipment	(20.7)	(29.2)
Intangible assets	(21.7)	(20.8)
Intercompany	(0.0)	-
Increase in temporary cash investment	(279.0)	(108.2)
Redemption of temporary cash investment	-	118.4
Cash provided (used) from investment activities	(367.2)	(39.8)
CASH FLOW FROM FINANCING ACTIVITIES		
Loans and Financings - banks	1.1	6.6
Payment of bank loans, capital	(2.5)	(1.3)
Dividends	(0.9)	(1.3)
CPMF – REFIS/PAES (tax debt refinancing program) payment	(0.4)	(0.5)
Shares buyback	-	(4.2)
Cash provided (used) from financing activities	(2.7)	(0.8)
EXCHANGE VARIATION EFFECT	(0.3)	4.0
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(277.1)	(5.3)
Cash and cash equivalents at the beginning of the period	288.2	11.4
Cash and cash equivalents at the end of the period	11.1	6.1
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(277.1)	(5.3)