Brazilian Vivo is the largest mobile communication operator in Latin America and the third CDMA operator in the world, with 30 million subscribers. Vivo is jointly held by Telefónica Moviles Group and Portugal Telecom.

In August 2006, Vivo announced that Huawei was chosen as the key supplier of its GSM network to construct a 3G-oriented GSM network, and more than 3,000 BTSs would be deployed. This project was the largest new GSM network in Latin America in 2006.

**Cooperation milestones**

- In January, 2007, the Vivo GSM network was commercially launched.
- In December 2006, over 1,000 BTSs were delivered by Huawei with one-week delivery speed up to 300 BTSs.
- In August 2006, Brazil Vivo chose Huawei to construct the GSM network covering the richest regions of Brazil.
- In November 2005, Telefónica and Huawei signed a formal strategic agreement at the Palace of Moncloa, Madrid, Spain.

**Future-oriented EnerG GSM solution**

As a new-constructed GSM network, how to enhance its competitiveness and realize smooth evolution to 3G are the primary points that Vivo considers. Huawei’ EnerG GSM solution maximizes GSM network values by introducing 3G technologies into 2G systems, and protects the network investments in the long run. Huawei’s mobile softswitch core network is based on UMTS R4 architecture, supporting GSM BSS and UMTS RAN access, and the integrated 2G/3G packet domain core network. Key network elements only need software upgrade to support the management of GSM/GPRS/UMTS subscribers and realize platform sharing.

Based on in-depth consideration regarding these issues of network capacity, coverage, deployment, service, and evolution, Huawei’s EnerG GSM solution enables Vivo to take the initiative in

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*“The Vivo GSM project is one of the largest mobile projects of Telefónica in recent years. For us, the compatibility with 3G services is very important for assuring the future upgrade to UMTS in a cost-effective way.”*

--- Mr. Cesar Alierta, Chairman of Telefónica

*“Thanks to your efforts, we have made a new record of 2-month planning and 4-month implementation to deploy a mobile network for Brazil.”*

---Javier Rodríguez García, CTO of Vivo
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**Fast and quality delivery**

Vivo’s GSM network covers the 5 most developed states of Brazil, Rio de Janeiro, Espírito Santo, Paraná, Rio Grande do Sul, and Santa Catarina where Vivo’s high-end users gathering with high traffic. Huawei’s underlay-overlay technology realizes larger coverage with fewer frequencies to meet the high capacity application. The outdoor macro GSM BTS features high capacity, small size, remote support, real-time monitoring and detection, eliminating the need for field measurement and reducing O&M workload and costs greatly. Huawei’s enhanced eMLPP + HR solution allocates different types of channels according to predefined user priorities, and guarantees the experience of high-end users while increasing network capacity.

As of January 2007, Huawei has delivered over 1,000 BTSs. The executives of Telefónica were satisfied with Huawei for setting the new record of “2-month planning and 4-month implementation to deploy a mobile network for Brazil”. The leadership of Vivo in the Brazilian market will be further strengthened.

**Trustworthy strategic partner**

As the most economically developed country in Latin America, Brazil is growing rapidly in the mobile communication market, with an annual growth of above 35%, being the 5th largest communication market in the world.

In September 2004, Brazilian CTBC Telecom engaged Huawei to construct its new-generation mobile communication network. It took Huawei less than 3 months to help CTBC Telecom open up its new-generation mobile softswitch network successfully, which was the first GSM network based on 3GPP R4 architecture mobile softswitch and All-IP networking in Latin America.

Telemar/Oi is the holding company of Telemar Group. In March 2006, Telemar/Oi awarded the GSM network capacity expansion contract to Huawei. Pursuant to the contract, Huawei would supply full sets of GSM/EDGE equipment to Telemar/Oi, including BTSs, BSCs, and so on.

From building transmission networks for Callmate Telips, Telemar and BRT to constructing a wireless network for Telefónica, Huawei has earned the trust of Brazilian mobile operators with a customer-oriented strategy, and become the key supplier of Brazilian telecom companies including Telemar, Brazil Telecom, Telefónica, Embratel, CTBC Telecom, GVT, Vivo and Telemig.

In November 2005, Telefónica signed a formal strategic agreement with Huawei at the Palace of Moncloa, Madrid, Spain, choosing Huawei as its strategic partner for service innovation in the field of 3G and broadband. Both parties will develop the mobile market in Latin America together. The cooperation in the Vivo Project furthered the strategic partnership between Huawei and Telefónica.