SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of May, 2003

Commission File Number 0-28860

NET SERVIÇOS DE COMUNICAÇÃO S.A.

(Exact name of registrant as specified in its charter)

Net Communications Services Inc.

(Translation of Registrant's name into English)

Rua Verbo Divino, 1356
04719-002 - São Paulo-SP
Federative Republic of Brazil
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ___X___ Form 40-F _______

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes _______ No ___X____

If "Yes" is marked, indicate below the file number assigned to the Registrant
in connection with Rule 12g3-2(b):82-___

PLIM4: R$ 0.38/share (Bovespa)
NETC: US$ 1.28/ADR (1ADR=10 shares - Nasdaq)
XNET: EUR$ 1.19/10 shares (Latibex)
Total number of shares: 2,028,855,530
Market Value: R$ 770.7 million
Closing price: 05/13/03

Net Serviços Announces First Quarter 2003 Financial Results

São Paulo, May 13th, 2003 - Net Serviços de Comunicação S.A., (Bovespa: PLIM4 and PLIM3; Nasdaq: NETC; Latibex: XNET), the largest Pay-TV multi-service operator in Latin America, an important provider of bi-directional broadband Internet access (Vírtua) and multimedia and data communication services for corporate networks, today announced its earnings results for the first quarter of 2003 (1Q03).

The following financial and operating information, except where otherwise stated, are presented in U.S. GAAP and on a consolidated basis.

FINANCIAL AND OPERATING HIGHLIGHTS

Consolidated Financial Highlights (US$ million)	1Q03	4Q02	Var.(%) 1Q03x4Q02	1Q02	Var.(%) 1Q03x1Q02
Net Revenues	82.6	78.9	4.7%	120.1	(31.1%)
EBITDA	19.4	(8.0)	n.a.	31.4	(42.0%)
EBITDA Margin	23.5%	n.a.		26.1%	
Net Profit (Loss)	(12.0)	(78.4)	(84.7%)	(391.4)	(96.9%)
Net Debt	308.1	308.2	(0.0%)	651.1	(52.7%)
Operating Highlights					
Pay TV subscriber base (thousands)					
- Connected Subscribers	1,318.9	1,330.4	(0.9%)	1,422.2	(7.3%)
- Temporarily Blocked (a)	17,0	7.1	139.4%	23.6	(28.0%)
- Active subscribers	1,301.9	1,323.3	(1.6%)	1,398.6	(6.9%)
Churn Rate (Annualized)	14.8%	13.8%		20.9%	
Pay-TV ARPU (US$ /subscriber) (b)	23.53	21.98	7.1%	31.11	(24.4%)
Broadband subscribers base					

- Net Sales	60,247	57,858	4.1%	55,059	9.4%
- Active	58,059	55,677	4.3%	50,922	14.0%
Vírtua Subscribers/Pay TV subscriber base	4.5%	4.2%	-	3.6%	-
Vírtua Subs./ Bi-directional Subscribers Base(c)	13.6%	12.9%	-	11.4%	-
Broadband ARPU (US$ / subscriber) (c)	18.62	17.71	5.1%	23.96	(22.3%)
Total Corporate Network Stations	4,063	4,117	(1.3%)	3,315	22.6%
- Company-owned	1,307	1,301	0.5%	1,226	6.6%
- Third Party	2,756	2,816	(2.1%)	2,089	31.9%
Number of employees	3,003	3,152	(4.7%)	4,487	(33.1%)

(a) Temporarily blocked subscribers, but still connected, likely to resume payment.
(b) Monthly Pay TV Gross revenues (excluding sign-on and hook-up revenues) per average active subscribers in the period.
(c) Monthly Broadband Gross revenues (excluding sign-on and hook-up revenues) per average connected subscribers in the period.

Average exchange rate decreased from R$ 3.68/US$in 4Q02 to R$ 3.50/US$ in 1Q03, resulting in an appreciation of 4.8%.

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End period exchange rate decreased from R$ 3.53/US$ in 4Q02 to R$ 3.35/US$ in 1Q03, resulting in an appreciation of 5.1%. This fact, which affected results in US Dollars, will be referred to herein as the "Real appreciation".

- Net revenues1 totaled US$ 82.6 million, a 4.7% increase when compared to US$ 78.9 million in the previous quarter. This increase is due to the real appreciation, as well as to the readjustment in monthly fees of new Pay-TV subscribers and higher broadband, which were partially offset by the drop in the subscribers' base in the quarter.

- EBITDA2 totaled US$ 19.4 million, compared to a negative US$ 8.0 million in 4Q02, (positive US$ 10.8 million excluding the consolidation of contingencies). This improvement is due to the non-recurring provisions recorded in 4Q02, which as explained in the 4Q02's earnings release, would not affect future results, and the lower programming costs.

- Operating Income (EBIT) was positive in US$ 4.7 million in the 1Q03 compared to a negative result of US$ 21.6 million recorded in the previous quarter. Given the early stage of the Company's life cycle, this result is a positive indicator of the Company's operating viability.

- Net Debt reached US$ 308.1 million in the quarter, stable in comparison to US$ 308.2 million in 4Q02.

- Net loss3 was US$ 12.0 million (US$ 0.01 loss per share), less than the loss of US$ 78.4 million registered in 4Q02, as a result of improvements in EBIT and net financial expenses.

- Pay-TV ARPU (Total Gross Revenues excluding Sign-on and hook-up revenues divided by the average number of connected subscribers) increased 7.1% reaching US$ 23.53 in 1Q03 from US$ 21.98 in the previous quarter. This result is due to the monthly fees readjustment applied to new subscriptions.

- Broadband ARPU was US$ 18.62 after US$ 17.71 in 4Q02, a 5.1% increase mainly a result of an improvement in the subscribers mix.

OPERATING PERFORMANCE

PAY-TV

- The Company is finalizing the review of its sales processes and subscriber retention actions, and only resumed the advertisements of its products in the media, including broadcast TV, in March. As a result of this campaign, sales increased 41% in March when compared to February sales. Although this positive initial reaction indicates that sales can be increased, the Company still doesn't use its full sales capacity due to the aforementioned reason. Therefore, this increase was not sufficient to offset the loss of subscribers, resulting in a 1.6% drop in the subscribers base compared to the previous quarter, from 1,323.3 thousand to thousand.

- Sales of the higher value-added package - Advanced - and of the Standard package were responsible for 44% and 4% of 1Q03 sales, respectively. The share of Standard selection in the subscribers mix decreased once again, from 10.1% to 9.8%, while the Advanced selection remained at 49.8%.

- In February, we launched Net Clube, a loyalty program that rewards subscribers stimulating the use and acquisition of services offered by the Company. The program is based on a scorecard on which the subscriber accumulates points that can be traded by NET products, such as pay-per-view events or a la carte channels. The subscriber also participates in monthly raffles that award free biannual and annual Pay-TV fees. Moreover, the subscriber also receives discounts in drugstores, car rentals and assures, through an insurance program, free Pay-TV programming for three months in case of unemployment or temporary disability, or for 24 months for the family in case of subscriber's decease. In the first 90 days, we had already received 1,349 applications for the program.

- Annualized churn rate was 14.8% against 13.8% in 4Q02. Despite the increase compared to the previous quarter, churn rate remains at an acceptable level, lower than industry average rate. The actions taken to increase customers' loyalty and satisfaction, such as the rollout of Net Clube and the improvement of the retention and reversion islands, are the main reasons that maintained churn rate at this lower level.

- From the total disconnections in 1Q03, voluntarily requested disconnections were 25%. The main reason for disconnections were moving to other cities or to areas not covered by our cable network, which corresponds to 43% compared to 31% in the 4Q02. Those explained by financial or personal reasons dropped from 28% in 4Q02 to 19% in this quarter and partially reflect the lower uncertainty regarding the economic scenario. Only 3% of the disconnections were caused by migration to the competition - in the previous quarter, this number was 7% - reflecting the Company's customer loyalty efforts.

- As a result of its new format, the 2003 Brazilian Soccer Championship was extended and will now run throughout the entire year. Consequently, the Rio-São Paulo Tournament - an important regional championship - didn't occur, reducing soccer pay-per-view sales in 1Q03. Due to these changes, the regional championships reached 34.7 thousand sales in the 1Q03, a drop of 46% in comparison to 65.0 thousand sold in the same period last year.

- Due to this new format, the Brazilian Championship package is already being commercialized, and 36 thousand sales were booked in only one month, which represent 40% of all sales booked last year.

BROADBAND

- The active broadband base ended the quarter with 58.1 thousand subscribers, an increase of 4.3% compared to the previous quarter. The penetration in the active Pay-TV subscriber base increased to 4.5%, and, when considering only the subscriber base that has already activated bi-directional access, the penetration also increased, reaching 13.6%.

- Vírtua's annualized churn rate was 18.6% in 1Q03, fairly stable compared to 4Q02.

- Sales of the 256 kbps speed and above contributed with 82% of total, compared to 96% in the last quarter. This drop can be explained by the end of the promotion made by Vírtua and some ISPs during January, which made cable modems available under a free lease agreement to subscribers who acquired the product at a minimum speed of 256 kbps. However, the model of different hook-up fees, which stimulates sales of higher speed products, was maintained through special subsidies for cable modem according to the requested speed.

- The return of media campaign also brought positive results to Vírtua, whose sales increased 40% in March when compared to February.

CALL CENTER PERFORMANCE

Performance Indexes	December-02			March-03		
	SP	RJ	POA	SP	RJ	POA
Average waiting time	1'33	26"	45"	1'36	2'17"	1'59"
% of answered calls	80%	92%	98%	67%	59%	78%

- According to the table shown above, the performance of the call center deteriorated in March due to one-time problems that increased the number of calls in that period. In April, the performance improved once again as a consequence of some actions taken as, for example, a new agreement made with EDS to adequate the number of representatives available to Net Serviços subscribers.

- A specific island focused on attending pay-per-view clients was created to improve the call center's efficiency. This island received more than 95% of the calls requesting the purchase of the Brazilian Championship.

CORPORATE NETWORKS

- The number of corporate network stations remained stable in comparison to the previous quarter. The number of third-party stations dropped 2.1% and the number of company-owned stations increased by 0.5%, resulting in a 1.3% drop on total corporate network stations, totaling 4,063 stations installed.

CONSOLIDATED EARNINGS ANALYSIS

Gross Revenues Breakdown

	1Q03	4Q02	3Q02	2Q02	1Q02
Gross Revenues	100%	100%	100%	100%	100%
Subscription	86.6%	86.6%	86.1%	87.5%	84.9%
Hook-up	1.6%	1.6%	1.5%	1.8%	2.3%
Pay Per View	3.0%	2.8%	4.4%	2.0%	4.3%
Corporate Networks	3.5%	3.9%	3.4%	3.8%	3.8%
Vírtua	3.3%	3.1%	2.5%	2.8%	2.5%
Others*	2.1%	1.9%	2.0%	2.1%	2.1%

*Includes, among others, revenues from Programming Guide, Technical Assistance and Rental of Network

- Gross revenues totaled US$ 101.2 million, increasing 5.4% compared to US$ 96.0 million in the previous quarter. Gross revenues are comprised of the following:

1. Pay-TV subscription revenues4 reached US$ 87.6 million, a 5.3% increase compared to the previous quarter. The Real appreciation and the readjustment of monthly-fees of new subscribers resulted in an improvement of the ARPU, mitigating the drop of the subscribers' base in the quarter.

2. Average hook-up revenue reached US$ 51.39, a 14.2% increase compared to US$ 44.99 in the previous quarter. The increase in hook-up revenues in the quarter was due to higher deferred sign-on and hook-up fees, driven by lower direct selling costs. This increase in revenues was partially offset by the drop in the Standard Package hook-up fee, which decreased from R$ 240.00 to R$ 160.00 and is now in line with hook-up fees charged for the other packages.

3. Pay-Per-View revenues (PPV) increased 9.8% compared to 4Q02, totaling US$ 3.0 million against US$ 2.7 million in the previous quarter. The reality show "Big Brother Brasil 3", the Rio de Janeiro state Championship, the beginning of sales of the Brazilian Championship in March and the Real appreciation were responsible for this increase in pay-per-view sales. On the other hand, the change in the soccer season negatively affected PPV revenues, not allowing the Company to sell packages of the São Paulo state Championship and the Rio-São Paulo Tournament.

4. Corporate networks revenues reached US$ 3.6 million, a 5.1% decrease when compared to US$ 3.8 million of the previous quarter. The end of the network implementation services in the previous quarter and the choice made by some clients to switch from satellite technology to other lower cost technologies offered by Vicom were the main reasons for this decrease, which was offset by the Real appreciation.

5. Broadband revenues5 increased to US$ 3.3 million in 1Q03, 11.6% above the US$ 3.0 million in the previous quarter. The growth was driven by the higher subscribers' base, the improvement of the subscribers' mix and the Real appreciation.

- Services and other taxes, including cancellations and sales taxes, reached US$ 18.6 million, an 8.3% increase when compared to US$ 17.1 million in 4Q02. From January on, a new social tax with the objective of reducing poverty - Fundo de Combate a Pobreza (FECP) - was created by the state of Rio de Janeiro. This tax has a 5% rate and is charged over sales, like the ICMS.

- Therefore, Net Revenues in 1Q03 totaled US$ 82.6 million an increase of 4.7% from the US$ 78.9 million presented in 4Q02.

Expenses as a Percentage of Net Revenues

	1Q03	4Q02	3Q02	2Q02	1Q02

Net Revenues	100%	100%	100%	100%	100%
Direct Operating Expenses	57.0%	62.0%	59.8%	58.3%	54.9%
Programmers and Royalties	34.7%	38.7%	37.9%	35.4%	34.4%
Network Expenses	7.3%	6.9%	6.2%	5.9%	5.4%
Customers Relations	1.8%	2.3%	2.3%	3.3%	2.5%
Payroll and Benefits	6.2%	6.3%	8.4%	8.6%	7.5%
Other costs	7.0%	7.7%	5.0%	5.2%	5.0%
Selling, General and Admin.	19.5%	48.1%	18.8%	17.4%	19.0%
Selling	1.9%	1.1%	0.5%	0.8%	1.5%
General & Administrative	14.9%	15.9%	14.8%	13.6%	13.2%
Bad debt expense	2.9%	2.9%	3.2%	2.6%	2.6%
Goodwill impairment	0.0%	3.5%	0.0%	0.0%	0.0%
Other	-0.3%	24.7%	0.2%	0.5%	1.8%
EBITDA	23.5%	-10.1%	21.4%	24.3%	26.1%

- Direct Operating Expenses were US$ 47.1 million in 1Q03, 3.6% lower than the US$ 48.9 million registered in the previous quarter. The main reasons for such performance are the following:

1. Programming and Royalties6 were US$ 28.7 million in the quarter, a 6.0% drop compared to US$ 30.5 million in 4Q02. This decrease was a result of lower PPV costs due to the new format that extended the duration of the Brazilian Soccer Championship; lower current expenses due to the new agreement with programmers, already effective, which converted a great part of the contracts to Reais in exchange rates that were lower than the ones effective in that period; and the reduction in subscribers base.

2. Network Expenses totaled US$ 6.1 million, an 11.7% increase over the US$ 5.4 million registered in the previous quarter. These higher expenses are a result of the Real appreciation and increase in pole rental fees in

some operations of the Southern Region, partially offset by the decrease in installation components at Vicom.

3. Customer Relations were US$ 1.5 million this quarter compared to US$ 1.8 million in 4Q02, a 20.8% decrease, as a consequence of lower expenses related to the PPV sales campaign of the Brazilian Championship as the expenses related to the creation and editing of the campaign were recognized in 4Q02.

4. Payroll and Benefits expenses totaled US$ 5.1 million, fairly stable when measured up to the previous quarter. The continuous efforts to optimize the activities in the Company were totally offset by the Real appreciation.

5. Other Operating Expenses, including third-party services, decreased 5.3% to US$ 5.8 million in 1Q03. The drop, mainly due to the one-time payment to EDS in 4Q02, was partially offset by the Real appreciation.

- Selling, General and Administrative Expenses (SG&A), which were not affected by contingencies this quarter, totaled US$ 16.1 million, a decrease of 57.6% compared to US$ 38.0 million in the previous quarter. This result is composed as follows:

1. Selling Expenses totaled US$ 1.6 million compared to US$ 0.9 million in 3Q02. This result is explained by the increase in third-party services for active sales and the resuming of advertising campaigns in the media.

2. General and Administrative Expenses7 reached US$ 12.3 million, a drop of 1.6% compared to US$ 12.5 million in 4Q02. The main reason for this decrease was non-recurring additional tax assessments in the cities of Recife, Porto Alegre and Rio de Janeiro, which totaled US$ 0.7 million and were provisioned in 4Q02, a result partially compensated by the Real appreciation

3. Bad Debt Expenses reached US$ 2.4 million, or 2.9% of net revenues, compared to US$ 2.3 million in the previous quarter, an increase due to the Real appreciation.

4. Other SG&A expenses were positive US$ 0.2 million in the quarter. As mentioned in the 4Q02 earnings release, the provisions for contingencies booked in that quarter were non-recurring and therefore, do not affect the following quarters.

- Consolidated EBITDA in the quarter totaled US$ 19.4 million, compared to

US$ 10.8 million in 4Q02, excluding the consolidation of contingencies in the amount of US$ 18.8 million. The EBITDA8 breakdown by operating segment in 1Q03 and on a consolidated basis, is as follows:

1. Pay-TV EBITDA in the quarter was US$ 17.6 million compared to US$ 9.1 million in 4Q02, before the consolidation of contingencies. This better result is mainly a consequence of lower programming costs and the Real appreciation.

2. Broadband EBITDA rose 71.5% reaching US$ 1.4 million compared to US$ 0.8 million in 4Q02, mainly due to the increase of the subscribers base and lower bad debt expenses in the quarter.

3. Corporate Networks EBITDA decreased to US$ 0.4 million from US$ 0.9 million in the previous quarter, a decrease of 57.6% due to lower revenues as previously explained.

4. Compared to the same period last year, EBITDA margin decreased from 26.1% in 1Q02 to 23.5% in 1Q03. Programming expenses, driven by the depreciation of the Real, and network maintenance expenses, driven by higher costs from energy and pole rentals, increased as a percentage of net revenues and negatively affected the EBITDA margin. However, this decrease does not imply a reduction in the Company's medium term capacity to generate operational margins, since 1Q03 EBITDA was also negatively impacted by one-time expenses with third-party consulting services hired to review the Company's sales processes and by the replacement of the CEO.

- Depreciation and amortization expenses reached US$ 14.2 million in 1Q03, a 5.5% increase in relation to US$ 13.4 million recorded in the previous quarter due to the Real appreciation.

- Operating Income (EBIT) was positive US$ 4.7 million in the 1Q03 compared to a negative result of US$ 21.6 million recorded in the previous quarter. This improvement in EBIT is a consequence of lower programming costs and the absence of provisions for contingencies in the quarter, as previously discussed, and is a positive indicator of the Company's operating viability.

Net Financial Result

US$ Thousand	1Q03	4Q02	3Q02	2Q02	1Q02

Net Financial Result	(15,311)	(50,161)	(116,925)	(117,411)	(30,197)
Monetary indexation, net	393	998	(12,246	(12,946)	(1,810)
Loss on exchange rate, net	10,137	17,320	(85,042)	(67,346)	1,052
Debt Financial expenses	(20,942)	(30,078)	(16,500)	(21,610)	(21,360)
Other Financial expenses	(7,601)	(42,694)	(12,214)	(20,668)	(9,708)
Financial income	2,703	4,293	9,077	5,159	1,629
Other (non operating)	170	(5,567)	(249)	153	54

- Net financial expenses9 were US$ 15.3 million, compared to US$ 50.2 million in the previous quarter. These results were originated as follows:

1. Monetary indexation, net reached US$ 0.4 million, compared to US$ 1.0 million registered in the previous quarter. This drop was caused by the lower Real appreciation in this quarter.

2. Loss on exchange rate, net10 was a gain of US$ 10.1 million, compared to US$ 17.3 million in 4Q02. This result is a consequence of the Real appreciation in the quarter of 5.1% compared to an appreciation of 9.3% in 4Q02.

3. Debt financial expenses11 were US$ 20.9 million, a 30.4% decrease over expenses of US$ 30.1 million in the previous quarter. The decrease is related to provisions recorded in 4Q02, regarding financial obligations past due and unpaid.

4. Other financial expenses totaled US$ 7.6 million, compared to US$ 42.7 million in the previous quarter. This decrease is basically due to the constitution of a one time IOF (tax on financial transactions) tax provision in 4Q02.

5. Financial income dropped to US$ 2.7 million in relation to US$ 4.3 million in 4Q02. Due to the daily basis cash flow reappraisal and the higher need of working capital, the Company performed its cash management giving priority to liquidity rather than profitability.

- Income Tax and Social Contribution were US$ 0.3 million lower than the US$

0.4 million recorded in 4Q02, totaling US$ 0.1 million.

- Net loss was US$ 12.0 million (US$ 0.01 loss per share), less than the loss of US$ 78.4 million (US$ 0.04 loss per share) registered in 4Q02, as a result of the aforementioned reasons.

DEBT, CAPITALIZATION AND CASH

	1Q03	4Q02	1Q02
Short Term Debt	330,302	323,749	254,729
Commercial loans (in US$)	35,131	35,029	71,868
Commercial loans (in R$)	31,926	30,216	18,364
Debentures 1998 (R$-denom.)	-	-	-
Current portion of long-term debt	263,245	258,503	164,497
Senior Guaranteed Notes - 2004	97,692	97,692	-
Net Sul Notes	72,300	72,300	32,000
International Finance Corporation	11,681	11,681	35,329
Eximbank	2,512	2,453	2,510
Zero-Coupon Guaranteed Notes	-	-	45,711
Other long-term debt (US$)	542	462	1,736
Convertible Debentures 1999 (R$-denom.)	12,745	11,444	-
Debentures 2001 (R$-denom.)	58,197	55,229	-
BNDES (R$-denom.)	-	-	20,808
Leasing (R$-denom.)	120	167	580
Future Flow Securitization(R$-denom.)	-	-	25,822
Other long-term debt (R$ - denom.)	7,456	7,076	-
Long Term Debt	137	219	410,309
Senior Guaranteed Notes - 2004	97,692	97,692	97,692
Net Sul Notes	72,300	72,300	80,000
International Finance Corporation	11,681	11,681	47,011
Eximbank	2,512	2,453	4,300
Zero-Coupon Guaranteed Notes	-	-	45,711
Other long-term debt (US$)	677	674	2,240
Convertible Debentures 2006 (R$-denom.)	12,745	11,444	154,636
Debentures 2001 (R$-denom.)	58,197	55,229	83,982
BNDES (R$-denom.)	-	-	21,882

Leasing (R$-denom.)	123	175	772
Future Flow Securitization (R$-denom.)	-	-	25,822
Other long-term debt (R$ - denom.)	7,456	7,076	10,759
Current portion of long-term debt	(263,245)	(258,503)	(164,497)
Total Debt	330,438	323,968	665,037
Cash	22,358	15,755	13,908
Net Debt	308,080	308,213	651,130
US dollar-denominated debt	219,992	219,828	348,821
	66.6%	67.9%	52.5%
Brazilian real-denominated debt	110,446	104,140	316,217
	33.4%	32.1%	47.5%

- By the end of 1Q03, the company's Total Debt was US$ 330.4 million, an increase of 2.0% compared to US$ 324.0 million in 4Q02.

- Cash Position reached US$ 22.4 million in 1Q03 from US$ 15.8 million in the previous quarter and Net Debt reached US$ 308.1 million in the quarter, fairly stable when compared to US$ 308.2 million in 4Q02.

- The company is still seeking a suitable capital structure, evaluating its cash flows on a daily basis. Therefore, no principal and interest amortizations were made during the quarter and the whole indebtedness was still assorted in the short-term by the end of 1Q03

- Due to the Real appreciation in the quarter the portion of the US dollar-denominated debt had a slight decrease and represented 67% of total debt - from 68% in the previous quarter.

- Fines and interest on arrears were recorded at the balance sheet by the end of 1Q03.

Amortization over next 12 months

US$ Million	12 months	2Q03	3Q03	4Q03	1Q04
US dollar-denominated debt	219.9	219.5	0.1	0.1	0.1
- Syndicate - Net Sul Notes	72.3	72.3	-	-	-

- International Finance Corporation - IFC	11.7	11.7	-	-	-
- Eximbank	2.5	2.5	-	-	-
- Zero-Coupon Guaranteed Notes	-	-	-	-	-
- Trade Finance	18.1	18.1	-	-	-
- Commercial Loans (in US$)	17.0	17.0	-	-	-
- Leasing	0.5	0.1	0.1	0.1	0.1
Brazilian real-denominated debt	110.5	110.4	0.1	0.1	0.1
- BNDES	-	-	-	-	-
- Commercial Loans (in R$)	39.4	39.4	-	-	-
- Leasing (in R$)	0.2	0.1	0.1	0.1	0.1
- Future Flow Securitization	-	-	-	-	-
Total	330.4	329.8	0.2	0.2	0.2

- The depreciation of the Real negatively affected the financial ratios presented in US GAAP. Despite that, Net Debt/EBITDA and Debt/(EBITDA + Financial Income) ratios presented significant improvement due to the conclusion of the re-capitalization.

Financial ratios	1Q03	1Q02
EBITDA / Interest Expenses	0.93	1.39
Net Debt / EBITDA (x4)	3.97	5.19
Debt / (EBITDA + Financial Income) (x4)	3.74	5.04
EBITDA (x4) / Active Subscribers	US$ 60	US$ 90
EBITDA (x4) / Number of Employees	US$ 25,829	US$ 27,956

SUBSEQUENT EVENT

On 03/17/03, the Company presented to its creditors its business plan as well as an analysis on the adequate capital structure and debt re-equation to the Company. The creditors hired PricewaterhouseCoopers as their advisor for the analysis of the Company's business plan and cash flow, and Pinheiro Neto Advogados to act as the their legal advisor in the renegotiation process.

The debenture-holders approved the designation of PricewaterhouseCoopers and Pinheiro Neto Advogados as their financial and legal advisors for the due diligence works and for the current negotiation. However, the debenture holders appointed Wald Advogados & Associados and KPMG as their advisors in the negotiation of the proposal already presented by the Company, which will begin as soon as the due diligence process is concluded.

UPCOMING EVENTS

1. Conference call - 1Q03 Financial Results

Date: May 16th, 2003

BR GAAP (Portuguese):

10:30 am (US Eastern Time):	Telephone #:	(55 11) 4613-0501
	Replay #:	(55 11) 4613-0501
	Conference Call ID:	452 or Net Serviços

Live webcast (audio only): www.netservicos.com

US GAAP (English):

12:00 pm (US Eastern Time):	Telephone #:	(+1 973) 935-8504
	Replay #.	(+1 973) 341-3080
	Conference Call ID:	3934211 or Net Serviços

Live webcast (audio only): www.netservicos.com

2. Reporting Dates of Upcoming Results

2Q03 -> Date: 2nd/3rd week of August, 2003
3Q03 -> Date: 2nd/3rd week of November, 2003
4Q03 -> Date: 2nd/3rd week of March, 2004

This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results, and those related to growth prospects of NET. These are merely projections and, as such, are based exclusively on the expectations of NET's management concerning the future of the business and its continued access to capital to fund the Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry, among other factors and risks disclosed in NET's filed disclosure documents and are, therefore, subject to change without prior notice.

OPERATING DATA

As of March 31, 2003	#of Nodes Total	#of Nodes Bidirectional	Homes Passed Cable	Connected Subscribers	Penetration
São Paulo	966	428	2,276,684	422,728	18.6%
Bauru	26	0	66,940	8,137	12.2%
Campinas	128	66	184,959	38,824	21.0%
Campo Grande	35	0	91,019	12,146	13.3%
Franca	23	0	39,116	3,921	10.0%
Indaiatuba	14	0	15,647	1,362	8.7%
Jundiaí	41	0	68,154	14,614	21.4%
Piracicaba	31	0	68,719	12,756	18.6%
Ribeirão Preto	48	0	126,245	15,807	12.5%
Santos	68	58	163,200	31,538	19.3%
São Carlos	28	0	44,712	6,588	14.7%
São José do Rio Preto	30	0	75,141	9,067	12.1%
Sorocaba	38	34	75,123	13,415	17.9%
Region 1	1,476	586	3,295,659	590,903	17.9%
Rio de Janeiro	470	208	1,115,398	248,914	22.3%
Anápolis	22	0	36,902	2,147	5.8%
Belo Horizonte	217	69	496,810	94,388	19.0%
Brasília	114	55	227,579	35,162	15.5%
Goiânia	78	0	215,484	20,473	9.5%
Recife (MMDS)	0	0	0	14,389	n/a
Region 2	901	332	2,092,173	415,473	19.9%
Arapongas	0	0	8,163	1,266	15.5%
Bagé	1	0	10,484	2,141	20.4%
Bento Gonçalves	0	0	6,961	2,353	33.8%
Blumenau (c/ BTV)	24	0	38,196	20,970	54.9%
Caxias	2	0	41,029	12,199	29.7%
Chapecó	1	0	10,702	2,766	25.8%
Criciuma	3	0	13,831	3,835	27.7%
Cruz Alta	0	0	7,886	1,461	18.5%
Curitiba (cabo)	131	48	251,274	50,211	20.0%
Curitiba (MMDS)	0	0	0	1,290	n/a
Erechim	1	0	6,452	1,950	30.2%
Farroupilha	0	0	4,859	913	18.8%
Florianópolis	54	30	76,204	25,457	33.4%
Joinville	14	0	28,199	7,440	26.4%

Lajeado	0	0	5,973	1,072	17.9%
Litoral	4	0	17,710	6,671	37.7%
Londrina	0	0	70,992	14,553	20.5%
Maringá	8	0	43,991	6,000	13.6%
Novo Hamburgo	1	0	22,919	5,811	25.4%
Passo Fundo	1	0	19,232	4,640	24.1%
Pelotas	39	0	56,354	6,381	11.3%
Porto Alegre (cabo)	171	80	306,061	93,738	30.6%
Porto Alegre (MMDS)	0	0	0	5,073	n/a
Rio Grande	1	0	24,986	4,694	18.8%
Santa Cruz	1	0	13,905	2,555	18.4%
Santa Maria	2	0	32,526	8,217	25.3%
Uruguaiana	0	0	7,230	1,835	25.4%
Region 3	459	158	1,126,119	295,492	26.2%
Total	2,836	1,076	6,513,951	1,301,868	20.0%

FINANCIAL STATEMENTS (non-audited)

Net Serviços de Comunicação S.A.

Income Statement US GAAP - (in US$ thousands)	1Q03	4Q02	1Q02
Revenues			
Subscriptions	87,585	83,189	122,715
Sign-on and hookup revenue, net	1,640	1,556	3,306
Gross sign-on and hookup fee revenue	1,490	1,548	2,874
Deferred sign-on and hookup fee revenue,net	149	7	432
Corporate Networks	3,557	3,750	5,546
Other services	8,383	7,520	12,889
PPV	2,988	2,722	6,222
Vírtua	3,298	2,955	3,674
Others	2,097	1,843	2,992
Gross Revenues	101,165	96,014	144,456
Services and other taxes	(18,576)	(17,146)	(24,326)
Net Revenues	82,589	78,868	120,131

Direct Operating Expenses	(47,097)	(48,881)	(65,908)
Programming &Royalties	(28,695)	(30,518)	(41,270)
Network Expenses	(6,059)	(5,424)	(6,469)
Customers Relations	(1,461)	(1,845)	(3,061)
Payroll and Benefits	(5,111)	(5,001)	(9,068)
Other Costs	(5,772)	(6,094)	(6,040)
Selling, General and Administrative Expenses	(16,101)	(37,965)	(22,863)
Selling	(1,596)	(880)	(1,793)
General &administrative	(12,331)	(12,527)	(15,846)
Bad Debt Expenses	(2,410)	(2,291)	(3,078)
Goodwill impairment	0	(2,773)	--
Other income/(expense), net	237	(19,495)	(2,146)

Depreciation and Amortization	(14,184)	(13,444)	(24,588)
Depreciation	(13,493)	(12,900)	(22,047)
Amortization	(690)	(544)	(2,541)
Unusual charges	0	(0)	0
Loss on write-down of equipment, net	(487)	(131)	(63)
Operating Income/(Loss)	4,720	(21,554)	6,708
Non-operating Expenses			
Monetary indexation, net	393	998	(1,810)
Loss on exchange rate, net	10,137	17,320	1,052
Financial expenses	(28,543)	(72,772)	(31,068)
Debt Financial expenses	(20,942)	(30,078)	(21,360)
Other Financial expenses	(7,601)	(42,694)	(9,708)
Financial income	2,703	4,293	1,629
Other (non-operating)	170	(5,567)	54
Income/(loss) bef. tax, investees, min. ints.	(10,421)	(77,282)	(23,435)
Income tax benefit, net	(134)	(420)	(429)
Income/(loss) bef. invest(10,556). ints.	(77,702)	(23,864)	
Cumulative effect of accouting change	0	0	(367,733)
Equity in earnings	(1,437)	(660)	211
Minority interests	0	0	0
Net Income/(Loss)	(11,993)	(78,361)	(391,386)
Loss per share	($0.01)	($0.04)	($1.39)
Number of shares *	2,028,855,530	2,028,855,530	281,125,286
EBITDA	19,391	(7,978)	31,359

Net Serviços de Comunicação S.A.

Consolidated Balance Sheet US GAAP - (in US$ thousands)	1Q03	%	4Q02	%	1Q02	%
Assets						
Cash &cash equivalents	22,358	3.2%	15,755	2.4%	13,908	1.3%
Accounts receivable	45,336	6.5%	41,528	6.3%	58,752	5.6%
Advances to suppliers	0	0.0%	0	0.0%	0	0.0%
Advances to employees	632	0.1%	470	0.1%	470	0.0%
Other	882	0.1%	1,214	0.2%	3,987	0.4%
Provision for doubtful accounts	(13,079)	-1.9%	(11,916)	-1.8%	(12,106)	-1.2%
Net accounts receivables	33,771	4.9%	31,296	4.7%	51,103	4.9%
Income tax recoverable	2,581	0.4%	2,389	0.4%	6,888	0.7%
Deferred income tax	0	0.0%	0	0.0%	0	0.0%
Prepaid expenses and other current assets	6,358	0.9%	3,109	0.5%	6,917	0.7%
Total current assets	65,069	9.4%	52,550	8.0%	78,815	7.5%
Deferred income tax	650	0.1%	454	0.1%	4,974	0.5%
Due from related companies	122	0.0%	14	0.0%	555	0.1%
Investments and advances to investees	1,071	0.2%	857	0.1%	3,521	0.3%
Cable network	699,146	100.8%	667,102	101.0%	1,005,070	96.0%
Land, buildings, improvem. fix. fit, &instal.	18,580	2.7%	17,538	2.7%	26,365	2.5%
Vehicles	2,166	0.3%	1,981	0.3%	3,145	0.3%
Data processing equip. and others	123,205	17.8%	112,836	17.1%	166,449	15.9%
Cable construction materials	39,780	5.7%	37,641	5.7%	67,773	

						6.5%
Accumulated depreciation	(527,229)	-76.0%	(487,185)	-73.8%	(691,836)	-66.1%
Net property and equipment	355,647	51.3%	349,913	53.0%	576,966	55.1%
Goodwill on acquisition of subsidiaries	232,955	33.6%	221,687	33.6%	335,114	32.0%
Other assets	38,323	5.5%	34,947	5.3%	46,883	4.5%
Long-term assets	628,769	90.6%	607,872	92.0%	968,013	92.5%
Total assets	693,837	100.0%	660,422	100.0%	1,046,828	100.0%

Liabilities and Stockholders' Equity						
Accounts payable to suppliers and programmers	80,966	11.7%	76,845	11.6%	99,547	9.5%
Income taxes payable	380	0.1%	201	0.0%	471	0.0%
Short-term debt	67,056	9.7%	65,245	9.9%	90,232	8.6%
Due to related companies	0	0.0%	0	0.0%	1	0.0%
Current portion of long-term debt	263,245	37.9%	258,503	39.1%	164,497	15.7%
Other payables and accruals	103,656	14.9%	81,696	12.4%	82,994	7.9%
Current Liabilities	515,304	74.3%	482,491	73.1%	437,741	41.8%
Long-term debt	137	0.0%	219	0.0%	410,309	39.2%
Due to related companies	2,050	0.3%	2,113	0.3%	8,678	0.8%
Deferred sign-on and hookup fee revenue	20,899	3.0%	19,980	3.0%	29,399	2.8%
Taxes and other payables and accruals	6,721	1.0%	7,103	1.1%	23,522	2.2%
Long-term liabilities	29,807	4.3%	29,415	4.5%	471,908	45.1%
Minority interests in subsidiaries	125	0.0%	119	0.0%	157	0.0%
Commitments and contigencies	123,063	17.7%	112,148	17.0%	66,931	6.4%
Capital Advances	0	0.0%	0	0.0%	134,588	

						12.9%
Capital stock - preffered and common shares	2,315,214	333.7%	2,315,374	350.6%	1,922,841	183.7%
Accumulatec deficit	(2,058,623)	-296.7%	(2,046,630)	-309.9%	(1,737,010)	-165.9%
Cumulative translation adjustment	(231,214)	-33.3%	(232,494)	-35.2%	(250,329)	-23.9%
Shareholders' equity	25,537	3.7%	36,250	5.5%	(64,498)	-6.2%
Total Liabilities and Shareholders' Equity	693,837	100.0%	660,423	100.0%	1,046,828	100.0%

Consolidated Statement of Cash Flows	1Q03	4Q02
Cash and cash equivalents, beginning of the period	15,755	29,382
Loss for the period	(11,993)	(78,361)
Non-cash items		
Deferred sign-on and hook-up fee revenue	715	889
Amortization of deferred revenues	(865)	(896)
Equity in results of investees	1,437	660
Exchange losses, net	(8,040)	(24,966)
Interest on loans, net	18,235	20,967
Depreciation and amortization	14,184	13,444
Goodwill impairment	0	2,773
Deferred income tax	(165)	(61)
Loss on sale of assets	0	161
Cash after non-cash items	13,508	(65,391)
Decrease (Increase) in assets and liabilities		
Accounts receivable	(1,518)	5,637
Income tax recoverable	31	528
Prepaid expenses	(2,717)	2,576
other assets	(1,328)	(1,489)
Accounts payable to suppliers and programmers	(2,433)	5,260
Income taxes payable	162	481
Sales taxes	(2,195)	(1,722)
Payroll and related charges	718	(2,325)
Other payables and accruals	1,478	5,243
Contingences	2,023	54,503
Net cash provided by operating activities	(5,779)	68,691
Cash flow from investing activities		
Acquisition from investments and advances to related companies	(124)	2,058
Acquistion of property and equipment	(3,701)	(6,149)
Proceeds from the sale of equipment	2,053	4,049
Net cash acquired from acquisition Subsidiary	0	196
Net cash provided by investing activities	(1,772)	154
Cash flow from financing activities		
Change in overdraft facilities	0	(649)
Short term debt issuance	37	157
Short term debt repayment	(86)	(282)
Repayment of long term debt	0	(18,483)
Related party loan issuances	2	5
Related party loan repayments	(6)	(24)
Net cash after financing activities	(53)	(19,276)

Effect of exchange rate changes on cash	699	2,194
Change in cash and cash equivalentes	6,603	(13,627)
Cash and cash equivalents, end of the period	22,358	15,755

US $ thousand	Pay-TV			Broadband			Corporate Networks			Total		
	1Q03	4Q02	1Q02	1Q03	4Q02	1Q02	1Q03	4Q02	1Q02	1Q03	4Q02	1Q02
Gross Revenues	94,309	89,309	135,236	3,298	2,955	3,674	3,557	3,750	5,546	101,165	96,014	144,456
subscriptions	87,585	83,189	122,715	3,083	2,654	3,598	-	-	-	90,668	85,842	126,314
hookup fee	1,640	1,556	3,306	121	130	66	-	-	-	1,761	1,686	3,371
others	5,084	4,565	9,215	94	172	10	3,557	3,750	5,546	8,736	8,486	14,771
Services and other taxes	(17,709)	(16,439)	(22,876)	(516)	(320)	(853)	(351)	(387)	(597)	(18,576)	(17,146)	(24,326)
Net Revenue	76,600	72,871	112,360	2,782	2,635	2,821	3,206	3,363	4,950	82,589	78,868	120,131
Direct Operating	(43,763)	(45,564)	(60,642)	(1,073)	(1,241)	(2,436)	(2,261)	(2,076)	(2,830)	(47,097)	(48,881)	(65,908)
Selling	(1,290)	(529)	(1,049)	(129)	(82)	(511)	(177)	(269)	(233)	(1,596)	(880)	(1,793)
General and Administrative	(11,606)	(34,584)	(17,019)	(82)	(27)	(364)	(407)	(184)	(609)	(12,095)	(34,795)	(17,992)
Bad Debt	(2,293)	(1,829)	(3,065)	(117)	(479)	(13)	(0)	18	-	(2,410)	(2,291)	(3,078)
EBITDA	17,648	(9,635)	30,585	1,382	806	(503)	361	851	1,277	19,391	(7,978)	31,359
% of Net Revenues												
Net Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Direct Operating	-57.1%	-62.5%	-54.0%	-38.6%	-47.1%	-86.4%	-70.5%	-61.7%	-57.2%	-57.0%	-62.0%	-54.9%
Selling	-1.7%	-0.7%	-0.9%	-4.6%	-3.1%	-18.1%	-5.5%	-8.0%	-4.7%	-1.9%	-1.1%	-1.5%
General and Administrative	-15.2%	-47.5%	-15.1%	-2.9%	-1.0%	-12.9%	-12.7%	-5.5%	-12.3%	-14.6%	-44.1%	-15.0%
Bad Debt	-3.0%	-2.5%	-2.7%	-4.2%	-18.2%	-0.5%	0.0%	0.5%	0.0%	-2.9%	-2.9%	-2.6%
EBITDA Margin	23.0%	n.a.	27.2%	49.7%	30.6%	-17.8%	11.3%					

25.3%	25.8%	23.5%	n.a.	26.1%

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1. BR GAAP: Net Revenue was R$ 289.5 million, fairly stable compared to R$ 290.8 million in 4Q02.
2. BR GAAP: EBITDA was R$ 67.5 million compared to negative R$ 20.5 million in 4Q02.
3. BR GAAP: Net loss in 1Q03 was R$ 76.5 million compared to R$ 307.1 million in 4Q02.
4. BR GAAP: Pay-TV subscription revenues reached R$ 307.7 million in 1Q03 compared to R$ 306.8 million in 4Q02.
5. BR GAAP: Broadband revenues increased 6.5% from R$ 10.8 million in 4Q02 to R$ 11.5 million this quarter.
6. BR GAAP Programming and Royalties decreased 10.7%, from R$ 112.9 million in 4Q02 to R$ 100.7 million this quarter
7. BR GAAP: General and Administrative expenses for the quarter were R$ 55.7 million compared to R$ 128.0 million in the previous quarter.
8. As calculated by us, EBITDA represents the sum of: (a) net income (loss); (b) minority interests in results of consolidated subsidiaries; (c) equity in earnings (i.e., companies in which we have between a 20% and 50% equity interest) net; (d) cumulative effect of accounting change; (e) income tax benefit (expense); (f) other non-operating expenses, net; (g) financial income; (h) financial expenses; (i) monetary indexation, net; (j) loss on exchange rate, net; (k) loss on write-down of equipment; (l) unusual charges and (m) depreciation and amortization. We present EBITDA in this press release because we believe EBITDA is a standard financial statistic commonly reported and widely used by analysts and other interested parties in the pay-TV industry. EBITDA should not be considered in isolation or as a substitute for net income or loss, as an indicator of operating performance or as an alternative to cash flow as a measure of liquidity. EBITDA also does not represent funds available for dividends, reinvestment or other discretionary uses. Because EBITDA is not determined in accordance with U.S. GAAP, EBITDA as calculated and reported by other companies may not be comparable to EBITDA as calculated and reported by us.
9. Net Financial Result = Monetary indexation, net + Loss on exchange rate, net + Debt Financial Expenses + Other Financial Expenses + Financial Income
10. BR GAAP: Gain on exchange rate, net was R$ 39.2 million compared to R$ 79.6 million in 3Q02.
11. Financial expenses = Debt Financial Expenses + Other Financial Expenses

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 20, 2003

NET SERVIÇOS DE COMUNICAÇÃO S.A.

By: /s/ Leonardo Porciúncula Gomes Pereira

Leonardo Porciúncula Gomes Pereira
Chief Financial Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.