



CONTAX PARTICIPAÇÕES S.A.

Corporate Taxpayers' ID (CNPJ/MF): 04.032.433/0001-80

Company Registry (NIRE): 33300275410

Publicly Held Company

NOTICE TO THE MARKET

Rio de Janeiro, December 04, 2009 – Contax Participações S.A. announces that it has received a Material Fact released by its controlling shareholder **CTX PARTICIPAÇÕES S.A.**, as stated below:

CTX PARTICIPAÇÕES S.A.

Publicly Held Company

Corporate Taxpayers' ID N.º 09.601.322/0001-60

Company Registry N.º 3330028691-8

MATERIAL FACT

Pursuant to CVM instruction 358, Contax Participações S/A announces that on today's date it received a letter from the shareholder BNDES Participações S.A. – BNDESPAR, with the following content:

“Following the terms of the Material Fact published by Telemar Participações S.A. (“TmarPart”) in 04/25/2008, that deals with the corporate restructuring of TmarPart and the partial spin-off of CTX Participações S.A. (“CTX”), the final step of the restructuring is the realization by BNDESPAR of a public auction of shares issued by TmarPart and CTX, pursuant to item IV – Restructuring of the shareholder Fiago Participações S.A.

Since all the conditions preceding the auction have been completed, BNDES Participações S.A – BNDESPAR, recently filed with the Comissão de Valores Mobiliários an application with the intent to waive the automatic registration of a public offer, as provided by article 5º, item II, of CVM's Instruction nº 400, of December 29, 2003, (“Instruction CVM 400”), for sale of two lots of indivisible shares through an exclusive auction of purchase and sale of securities that



are not traded on the stock exchange, through the Megabolsa system from Bolsa de Valores, Mercadorias e Futuros ("BM&FBOVESPA"). The two lots being:

a) a lot comprising of 198,696,395 (one hundred ninety-eight million, six hundred ninety-six thousand, three hundred ninety-five) common shares issued by CTX along with 198,696,395 (one hundred ninety-eight million, six hundred ninety-six thousand, three hundred ninety-five) common shares issued by TmarPart; and

b) another lot comprising of 197,294,242 (one hundred ninety-seven million, two hundred ninety-four thousand, two hundred forty-two) common shares issued by CTX along with 197,294,242 (one hundred ninety-seven million, two hundred ninety-four thousand, two hundred forty-two) common shares issued by TmarPart.

After CVM's reply, a new Material Fact will be published. In case CVM defers BNDESPAR's request, in the Material Fact all the conditions regarding the auction will be described".

Rio de Janeiro, December 03, 2009.

Pedro Jereissati

Investor Relations Officer

Rio de Janeiro, December 04, 2009.

Sincerely,

Michel Neves Sarkis

Chief Financial and Investor Relations Officer

CONTAX PARTICIPAÇÕES S/A