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TELEMIG CELULAR PARTICIPACOES SA

Form 425

May 26, 2009

Filed by Vivo Participações S.A.

This communication is filed pursuant to Rule 425 under The Securities Act of 1933, as amended.

Subject Company: Telemig Celular Participações S.A.

Commission File Number: 001-14483

Subject Company: Telemig Celular S.A.

Commission File Number: 333-09470

Date: May 26, 2009

First Quarter Results as of March 31, 2009 of Vivo Participações S.A.

COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.

01.01 IDENTIFICATION

| | | |
|---|---|---|
| 1 - CVM CODE 01771-0 | 2 - COMPANY NAME VIVO PARTICIPAÇÕES S.A. | 3 - Brazilian IRS Registry of Legal Entities (CNPJ) 02.558.074/0001-73 |
| 4 - Registration Number (NIRE) 35300158792 | | |

01.02 HEAD OFFICE

| | | | |
|--|-----------------------------------|---------------------------|---------------------------|
| 1 - ADDRESS Av. Doutor Chucri Zaidan, 860 | | 2 - DISTRICT Morumbi | |
| 3 - ZIP CODE 04583-110 | 4 - MUNICIPALITY São Paulo | 5 - STATE SP | |
| 6 - AREA CODE 11 | 7 - TELEPHONE NUMBER 7420-1172 | 8 - TELEPHONE NUMBER - | 9 - TELEPHONE NUMBER - |
| 11 - AREA CODE 11 | 12 - FAX 7420-2247 | 13 - FAX - | 14 - FAX - |
| 10 - TELEX - | | | |
| 15 - E-MAIL | | | |

01.03 INVESTOR RELATIONS OFFICER (Company Mail Address)

| | | | |
|--|-----------------------------------|---------------------------|----------------------------|
| 1 - NAME Ernesto Gardelliano | | 3 - DISTRICT Morumbi | |
| 2 - ADDRESS Av. Doutor Chucri Zaidan, 860 | | 6 - STATE SP | |
| 4 - ZIP CODE 04583-110 | 5 - MUNICIPALITY São Paulo | 11 - TELEX - | |
| 7 - AREA CODE 11 | 8 - TELEPHONE NUMBER 7420-1172 | 9 - TELEPHONE NUMBER - | 10 - TELEPHONE NUMBER - |
| 12 - AREA CODE 11 | 13 - FAX 7420-2247 | 14 - FAX - | 15 - FAX - |
| 16 - E-MAIL | | | |

ir@vivo.com.br

01.04 GENERAL INFORMATION / INDEPENDENT ACCOUNTANT

| CURRENT YEAR | | CURRENT QUARTER | | | PRIOR QUARTER | | |
|--|------------|-----------------|---------------|------------|--|---------------|------------|
| 1 - BEGINNING | 2 - END | 3 - QUARTER | 4 - BEGINNING | 5 - END | 6 - QUARTER | 7 - BEGINNING | 8 - END |
| 01/01/2009 | 12/31/2009 | 1 | 01/01/2009 | 03/31/2009 | 4 | 10/01/2008 | 12/31/2008 |
| 9 - AUDITOR Ernst & Young Auditores Independentes S/S | | | | | 10 - CVM CODE 00471-5 | | |
| 11 - NAME OF RESPONSIBLE PARTNER Luiz Carlos Passetti | | | | | 12 - INDIVIDUAL TAXPAYERS REGISTRATION NUMBER 001.625.898-32 | | |

01.01 IDENTIFICATION

| | | |
|--------------|-------------------------|---|
| 1 - CVM CODE | 2 - COMPANY NAME | 3 - Brazilian IRS Registry of Legal Entities (CNPJ) |
| 01771-0 | VIVO PARTICIPAÇÕES S.A. | 02.558.074/0001-73 |

01.05 CAPITAL COMPOSITION

| NUMBER OF SHARES (IN THOUSANDS) | 1 - CURRENT QUARTER 03/31/2009 | 2 - PRIOR QUARTER 12/31/2008 | 3 - SAME QUARTER IN PRIOR YEAR 03/31/2008 |
|------------------------------------|-----------------------------------|---------------------------------|--|
| SUBSCRIBED CAPITAL | | | |
| 1 - COMMON | 136,275 | 134,150 | 524,932 |
| 2 - PREFERRED | 238,064 | 234,369 | 917,186 |
| 3 - TOTAL | 374,339 | 368,519 | 1,442,118 |
| TREASURY STOCK | | | |
| 4 - COMMON | 0 | 0 | 0 |
| 5 - PREFERRED | 1,123 | 1,123 | 4,495 |
| 6 - TOTAL | 1,123 | 1,123 | 4,495 |

01.06 - CHARACTERISTICS OF THE COMPANY

- 1 - TYPE OF COMPANY
Commercial, industrial and others
- 2 - SITUATION
Operating
- 3 - SHARE CONTROL NATURE
Private holding
- 4 - ACTIVITY CODE
1130 - Telecommunications
- 5 - MAIN ACTIVITY
Cellular Telecommunications Service
- 6 - TYPE OF CONSOLIDATION
Total
- 7 - TYPE OF INDEPENDENT ACCOUNTANTS REPORT
Unqualified

01.07 COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

| | | |
|----------|---|----------|
| 1 - ITEM | 2 - Brazilian IRS Registry of Legal Entities (CNPJ) | 3 - NAME |
|----------|---|----------|

01.08 DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER

| 1 - ITEM | 2 - EVENT | 3 - APPROVAL | 4 - YIELD | 5 - DATE OF PAYMENT | 6 - TYPE OF SHARE | 7 - YIELD PER SHARE |
|----------|-----------|--------------|------------------------------------|------------------------|----------------------|------------------------|
| 01 | AGO/E (1) | 03/19/2009 | Interest on Shareholders equity | 12/30/2009 | Common | 0.4385280101 |
| 02 | AGO/E (1) | 03/19/2009 | Interest on Shareholders equity | 12/30/2009 | Preferred | 0.4385280101 |
| 03 | AGO/E (1) | 03/19/2009 | Dividends | 12/30/2009 | Common | 0.7231586138 |
| 04 | AGO/E (1) | 03/19/2009 | Dividends | 12/30/2009 | Preferred | 0.7231586138 |

(1) General / Extraordinary Shareholders Meeting

3

01.01 IDENTIFICATION

1 - CVM CODE 2 - COMPANY NAME 3 - Brazilian IRS Registry of Legal Entities (CNPJ)
01771-0 VIVO PARTICIPAÇÕES S.A. 02.558.074/0001-73

01.09 SUBSCRIBED CAPITAL AND CHANGES IN CURRENT YEAR

| 1 - ITEM | 2 - DATE OF CHANGE | 3 - CAPITAL (In thousands of reais) | 4 - CHANGE AMOUNT (In thousands of reais) | 5 - CHANGE NATURE | 6 - NUMBER OF SHARES ISSUED (Thousand) | 7 - SHARE PRICE ON ISSUE DATE (In reais) |
|----------|--------------------|-------------------------------------|---|-------------------|--|--|
| 01 | 02/12/2009 | 6,710,526 | 189,896 | Capital Reserve | 5,819 | 32.6300000000 |

01.10 INVESTOR RELATIONS OFFICER

1 - DATE 2 - SIGNATURE
04/30/2009

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A free translation from Portuguese into English of quarterly financial statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and specific norms issued by IBRACON, CFC and CVM

FEDERAL PUBLIC SERVICE

BRAZILIAN SECURITIES COMMISSION (CVM)

ITR QUARTERLY INFORMATION Corporation Law

COMMERCIAL, INDUSTRIAL & OTHER TYPES OF COMPANY

As of 03/31/2009

1 - CVM CODE 2 - COMPANY NAME 3 - Brazilian IRS Registry of Legal Entities (CNPJ)
 01771-0 VIVO PARTICIPAÇÕES S.A. 02.558.074/0001-73
02.01 BALANCE SHEET ASSETS (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - ACCOUNT DESCRIPTION | 3 - 03/31/2009 | 4 - 12/31/2008 |
|---------------|---|----------------|----------------|
| 1 | TOTAL ASSETS | 11,309,107 | 10,945,503 |
| 1.01 | CURRENT ASSETS | 633,906 | 432,892 |
| 1.01.01 | CASH AND CASH EQUIVALENTS | 395,759 | 10,706 |
| 1.01.01.01 | CASH AND CASH EQUIVALENTS | 395,759 | 10,706 |
| 1.01.02 | RECEIVABLES | 0 | 0 |
| 1.01.02.01 | TRADE ACCOUNTS RECEIVABLE, NET | 0 | 0 |
| 1.01.02.02 | OTHER RECEIVABLES | 0 | 0 |
| 1.01.03 | INVENTORIES | 0 | 0 |
| 1.01.04 | OTHER | 238,147 | 422,186 |
| 1.01.04.01 | DEFERRED AND RECOVERABLE TAXES | 7,562 | 22,732 |
| 1.01.04.02 | DIVIDENDS AND INTEREST ON SHAREHOLDERS EQUITY | 227,493 | 397,412 |
| 1.01.04.03 | PREPAID EXPENSES | 2,237 | 1,202 |
| 1.01.04.04 | OTHER ASSETS | 855 | 840 |
| 1.02 | NONCURRENT ASSETS | 10,675,201 | 10,512,611 |
| 1.02.01 | LONG-TERM RECEIVABLES | 569,008 | 585,444 |
| 1.02.01.01 | OTHER RECEIVABLES | 0 | 0 |
| 1.02.01.02 | RECEIVABLES FROM RELATED PARTIES | 1,863 | 1,863 |
| 1.02.01.02.01 | FROM ASSOCIATED COMPANIES | 0 | 0 |
| 1.02.01.02.02 | FROM SUBSIDIARY COMPANIES | 0 | 0 |
| 1.02.01.02.03 | FROM OTHER RELATED PARTIES | 1,863 | 1,863 |
| 1.02.01.03 | OTHER | 567,145 | 583,581 |
| 1.02.01.03.01 | DEFERRED AND RECOVERABLE TAXES | 560,010 | 576,372 |
| 1.02.01.03.02 | PREPAID EXPENSES | 1,556 | 1,630 |
| 1.02.01.03.03 | OTHER ASSETS | 5,579 | 5,579 |
| 1.02.02 | PERMANENT ASSETS | 10,106,193 | 9,927,167 |
| 1.02.02.01 | INVESTMENTS | 8,679,896 | 8,502,885 |
| 1.02.02.01.01 | ASSOCIATED COMPANIES | 0 | 0 |
| 1.02.02.01.02 | GOODWILL ON ASSOCIATED COMPANIES | 0 | 0 |
| 1.02.02.01.03 | SUBSIDIARY COMPANIES | 8,679,792 | 8,502,781 |
| 1.02.02.01.04 | GOODWILL ON ACQUISITION OF INVESTMENTS | 0 | 0 |
| 1.02.02.01.05 | OTHER INVESTMENTS | 104 | 104 |
| 1.02.02.02 | PROPERTY, PLANT AND EQUIPMENT | 4 | 4 |
| 1.02.02.03 | INTANGIBLE ASSETS | 1,426,293 | 1,424,278 |
| 1.02.02.04 | DEFERRED CHARGES | 0 | 0 |

02.02 BALANCE SHEET LIABILITIES AND SHAREHOLDERS EQUITY (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - ACCOUNT DESCRIPTION | 3 - 03/31/2009 | 4 - 12/31/2008 |
|------------|---|----------------|----------------|
| 2 | TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 11,309,107 | 10,945,503 |
| 2.01 | CURRENT LIABILITIES | 1,917,683 | 1,677,489 |
| 2.01.01 | LOANS AND FINANCING | 1,126,503 | 1,091,374 |
| 2.01.02 | DEBENTURES | 267,876 | 21,502 |
| 2.01.03 | SUPPLIERS | 4,492 | 4,463 |
| 2.01.04 | TAXES PAYABLE | 1,481 | 46,028 |
| 2.01.05 | DIVIDENDS PAYABLE | 407,457 | 407,473 |
| 2.01.06 | PROVISIONS | 1,198 | 1,237 |
| 2.01.07 | PAYABLES TO RELATED PARTIES | 293 | 372 |
| 2.01.08 | OTHER | 108,383 | 105,040 |
| 2.01.08.01 | PAYROLL AND SOCIAL CHARGES | 320 | 555 |
| 2.01.08.02 | DERIVATIVE CONTRACTS | 4,971 | 1,213 |
| 2.01.08.03 | OTHER LIABILITIES | 103,092 | 103,272 |
| 2.02 | NONCURRENT LIABILITIES | 1,000,388 | 1,000,487 |
| 2.02.01 | LONG-TERM LIABILITIES | 1,000,388 | 1,000,487 |
| 2.02.01.01 | LOANS AND FINANCING | 0 | 0 |
| 2.02.01.02 | DEBENTURES | 1,000,000 | 1,000,000 |
| 2.02.01.03 | PROVISIONS | 68 | 167 |
| 2.02.01.04 | PAYABLES TO RELATED PARTIES | 0 | 0 |
| 2.02.01.05 | ADVANCE FOR FUTURE CAPITAL INCREASE | 0 | 0 |
| 2.02.01.06 | OTHER | 320 | 320 |
| 2.05 | SHAREHOLDERS EQUITY | 8,391,036 | 8,267,527 |
| 2.05.01 | CAPITAL STOCK | 6,900,422 | 6,710,526 |
| 2.05.02 | CAPITAL RESERVES | 518,678 | 708,574 |
| 2.05.03 | REVALUATION RESERVE | 0 | 0 |
| 2.05.03.01 | OWN ASSETS | 0 | 0 |
| 2.05.03.02 | CONTROLLED AND NON CONTROLLED SUBSIDIARIES | 0 | 0 |
| 2.05.04 | INCOME RESERVES | 848,427 | 848,427 |
| 2.05.04.01 | LEGAL | 120,955 | 120,955 |
| 2.05.04.02 | STATUTORY | 0 | 0 |
| 2.05.04.03 | CONTINGENCIES | 0 | 0 |
| 2.05.04.04 | REALIZABLE PROFIT RESERVES | 0 | 0 |
| 2.05.04.05 | RETENTION OF PROFITS | 738,542 | 738,542 |
| 2.05.04.06 | SPECIAL RESERVE FOR UNDISTRIBUTED DIVIDENDS | 0 | 0 |
| 2.05.04.07 | OTHER PROFIT RESERVES | (11,070) | (11,070) |
| 2.05.06 | RETAINED EARNINGS/ACCUMULATED DEFICIT | 123,509 | 0 |

03.01 STATEMENT OF OPERATIONS (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - DESCRIPTION | 3 - 01/01/2009 to 03/31/2009 | 4 - 01/01/2009 to 03/31/2009 | 5 - 01/01/2008 to 03/31/2008 | 6 - 01/01/2008 to 03/31/2008 |
|------------|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 3.01 | GROSS SALES AND/OR SERVICES | 0 | 0 | 0 | 0 |
| 3.02 | DEDUCTIONS | 0 | 0 | 0 | 0 |
| 3.03 | NET SALES AND/OR SERVICES | 0 | 0 | 0 | 0 |
| 3.04 | COST OF SALES AND/OR SERVICES | 0 | 0 | 0 | 0 |
| 3.05 | GROSS PROFIT | 0 | 0 | 0 | 0 |
| 3.06 | OPERATING EXPENSES/INCOME | 122,277 | 122,277 | 98,969 | 98,969 |
| 3.06.01 | SELLING EXPENSES | 0 | 0 | 0 | 0 |
| 3.06.02 | GENERAL AND ADMINISTRATIVE EXPENSES | (5,316) | (5,316) | (5,402) | (5,402) |
| 3.06.03 | FINANCIAL | (60,174) | (60,174) | (35,107) | (35,107) |
| 3.06.03.01 | FINANCIAL INCOME | 16,380 | 16,380 | 8,451 | 8,451 |
| 3.06.03.02 | FINANCIAL EXPENSES | (76,554) | (76,554) | (43,558) | (43,558) |
| 3.06.04 | OTHER OPERATING INCOME | 2,416 | 2,416 | 6,984 | 6,984 |
| 3.06.05 | OTHER OPERATING EXPENSES | (22) | (22) | (78,220) | (78,220) |
| 3.06.06 | EQUITY IN EARNINGS OF SUBSIDIARY AND ASSOCIATED COMPANIES | 185,373 | 185,373 | 210,714 | 210,714 |
| 3.07 | OPERATING RESULT | 122,277 | 122,277 | 98,969 | 98,969 |
| 3.08 | NON OPERATING INCOME (LOSS) | 0 | 0 | 0 | 0 |
| 3.08.01 | REVENUES | 0 | 0 | 0 | 0 |
| 3.08.02 | EXPENSES | 0 | 0 | 0 | 0 |
| 3.09 | LOSS BEFORE TAXES AND PROFIT SHARING | 122,277 | 122,277 | 98,969 | 98,969 |
| 3.10 | PROVISION FOR INCOME AND SOCIAL CONTRIBUTION TAXES | 0 | 0 | 0 | 0 |
| 3.11 | DEFERRED INCOME TAX | 1,232 | 1,232 | (43) | (43) |

03.01 STATEMENT OF OPERATIONS (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - DESCRIPTION | 3 - 01/01/2009 to 03/31/2009 | 4 - 01/01/2009 to 03/31/2009 | 5 - 01/01/2008 to 03/31/2008 | 6 - 01/01/2008 to 03/31/2008 |
|----------|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 3.12 | STATUTORY INTEREST/CONTRIBUTIONS | 0 | 0 | 0 | 0 |
| 3.12.01 | INTEREST | 0 | 0 | 0 | 0 |
| 3.12.02 | CONTRIBUTIONS | 0 | 0 | 0 | 0 |
| 3.13 | REVERSAL OF INTEREST ON SHAREHOLDERS EQUITY | 0 | 0 | 0 | 0 |
| 3.15 | PROFIT /LOSS FOR THE PERIOD | 123,509 | 123,509 | 98,926 | 98,926 |
| | NUMBER OF SHARES, EX-TREASURY (THOUSAND) | 373,216 | 373,216 | 1,437,623 | 1,437,623 |
| | EARNINGS PER SHARE | 0.33093 | 0.33093 | 0.06881 | 0.06881 |
| | LOSS PER SHARE | | | | |

04.01 STATEMENT OF CASH FLOW (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - DESCRIPTION | 3 - 01/01/2009 to 03/31/2009 | 4 - 01/01/2009 to 03/31/2009 | 5 - 01/01/2008 to 03/31/2008 | 6 - 01/01/2008 to 03/31/2008 |
|------------|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 4.01 | CASH INVESTED IN OPERATING ACTIVITIES | (2,952) | (2,952) | (9,287) | (9,287) |
| 4.01.01 | ADJUSTMENTS TO RECONCILE THE NET PROFIT FOR THE PERIOD WITH FUNDS FROM THE OPERATING ACTIVITIES | (61,246) | (61,246) | (32,193) | (32,193) |
| 4.01.01.01 | NET PROFIT FOR THE PERIOD | 123,509 | 123,509 | 97,559 | 97,559 |
| 4.01.01.02 | EQUITY INTEREST | (185,373) | (185,373) | (209,347) | (209,347) |
| 4.01.01.03 | DEPRECIATION AND AMORTIZATION | 0 | 0 | 77,926 | 77,926 |
| 4.01.01.04 | GAIN ON INVESTMENTS | (1,935) | (1,935) | 0 | 0 |
| 4.01.01.05 | LOSSES ON FORWARD AND SWAPS CONTRACTS | 3,758 | 3,758 | 2,007 | 2,007 |
| 4.01.01.06 | GAINS ON LOANS, FINANCING AND DEBENTURES | 0 | 0 | (861) | (861) |
| 4.01.01.07 | PROVISIONS (REVERSAL) FOR CONTINGENCIES | (141) | (141) | 298 | 298 |
| 4.01.01.08 | PROVISIONS FOR SUPPLIERS | 168 | 168 | 182 | 182 |
| 4.01.01.09 | DEFERRED INCOME TAX | (1,232) | (1,232) | 43 | 43 |
| 4.01.02 | VARIATIONS ON ASSETS AND LIABILITIES | 58,294 | 58,294 | 22,906 | 22,906 |
| 4.01.02.01 | DEFERRED TAXES AND TAX CREDITS | 32,764 | 32,764 | 14,722 | 14,722 |
| 4.01.02.02 | OTHER CURRENT AND NON-CURRENT ASSETS | (976) | (976) | (5,173) | (5,173) |
| 4.01.02.03 | LABOR, PAYROLL CHARGES AND BENEFITS | (235) | (235) | (273) | (273) |
| 4.01.02.04 | SUPPLIERS AND ACCOUNTS PAYABLE | (139) | (139) | 157 | 157 |
| 4.01.02.05 | INTEREST ON LOANS, FINANCING AND DEBENTURES | 71,503 | 71,503 | 42,001 | 42,001 |
| 4.01.02.06 | TAXES, FEES AND CONTRIBUTIONS | (44,547) | (44,547) | (22,943) | (22,943) |
| 4.01.02.07 | PROVISIONS FOR CONTINGENCIES | 3 | 3 | (38) | (38) |
| 4.01.02.08 | OTHER CURRENT AND NON-CURRENT LIABILITIES | (79) | (79) | (5,547) | (5,547) |
| 4.02 | CASH GENERATED FROM INVESTMENTS ACTIVITIES | 169,359 | 169,359 | 51,228 | 51,228 |
| 4.02.01 | RECEIPT OF DIVIDENDS AND INTEREST ON SHAREHOLDERS EQUITY | 169,359 | 169,359 | 51,228 | 51,228 |
| 4.03 | CASH GENERATED FROM (INVESTED IN) FINANCING ACTIVITIES | 218,646 | 218,646 | (55,702) | (55,702) |
| 4.03.01 | FUNDING FROM LOANS, FINANCING AND DEBENTURES | 210,000 | 210,000 | 0 | 0 |
| 4.03.02 | REPAYMENT OF LOANS, FINANCING AND DEBENTURES | 0 | 0 | (24,105) | (24,105) |
| 4.03.03 | PAYMENTS OF INTEREST ON LOANS, FINANCING AND DEBENTURES | 0 | 0 | (29,022) | (29,022) |
| 4.03.04 | RECEIPT OF FORWARD AND SWAPS CONTRACTS | 0 | 0 | (939) | (939) |

04.01 STATEMENT OF CASH FLOW (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - DESCRIPTION | 3 - 01/01/2009 to 03/31/2009 | 4 - 01/01/2009 to 03/31/2009 | 5 - 01/01/2008 to 03/31/2008 | 6 - 01/01/2008 to 03/31/2008 |
|----------|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 4.03.05 | PROCEEDS FROM MINORITY CAPITAL INCREASE | 8,842 | 8,842 | 0 | 0 |
| 4.03.06 | PAYMENT OF STOCK REVERSE SPLIT | (180) | (180) | (178) | (178) |
| 4.03.07 | PAYMENT OF DIVIDEDS AND INTEREST ON SHAREHOLDERS EQUITY | (16) | (16) | (1,458) | (1,458) |
| 4.05 | INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 385,053 | 385,053 | (13,761) | (13,761) |
| 4.05.01 | INITIAL ALANCE | 10,706 | 10,706 | 13,793 | 13,793 |
| 4.05.02 | FINAL BALANCE | 395,759 | 395,759 | 32 | 32 |

05.01 STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - DESCRIPTION | 3 - CAPITAL STOCK | 4 - CAPITAL RESERVES | 6 - INCOME RESERVES | 7 - RETAINED EARNINGS | 9 - TOTAL SHAREHOLDERS EQUITY |
|----------|---|----------------------|-------------------------|------------------------|--------------------------|-------------------------------------|
| 5.01 | BALANCES AT DECEMBER 31, 2008 | 6,710,526 | 708,574 | 848,427 | 0 | 8,267,527 |
| 5.04 | NET PROFIT FOR THE PERIOD | 0 | 0 | 0 | 123,509 | 123,509 |
| 5.09 | CAPITAL INCREASE OUT OF RESERVES, AS PER AGE 02.12.09 | 189,896 | (189,896) | 0 | 0 | 0 |
| 5.09.01 | CAPITAL INCREASE OUT OF RESERVES, AS PER AGE 02.12.09 | 189,896 | (189,896) | 0 | 0 | 0 |
| 5.13 | BALANCES AT MARCH 31, 2009 | 6,900,422 | 518,678 | 848,427 | 123,509 | 8,391,036 |

08.01 BALANCE SHEET CONSOLIDATED ASSETS (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - ACCOUNT DESCRIPTION | 3 - 03/31/2009 | 4 - 12/31/2008 |
|---------------|------------------------------------|----------------|----------------|
| 1 | TOTAL ASSETS | 22,434,252 | 23,796,804 |
| 1.01 | CURRENT ASSETS | 7,845,608 | 8,927,253 |
| 1.01.01 | CASH AND CASH EQUIVALENTS | 1,737,316 | 2,182,913 |
| 1.01.01.01 | CASH AND BANKS | 1,737,316 | 2,182,913 |
| 1.01.02 | RECEIVABLES | 2,381,623 | 2,578,498 |
| 1.01.02.01 | TRADE ACCOUNTS RECEIVABLE, NET | 2,381,623 | 2,578,498 |
| 1.01.02.02 | OTHER RECEIVABLES | 0 | 0 |
| 1.01.03 | INVENTORIES | 482,735 | 778,704 |
| 1.01.04 | OTHER | 3,243,934 | 3,387,138 |
| 1.01.04.01 | FINANCIAL INVESTMENTS AS GUARANTEE | 34,262 | 41,487 |
| 1.01.04.02 | DEFERRED AND RECOVERABLE TAXES | 2,058,111 | 2,358,647 |
| 1.01.04.03 | DERIVATIVE CONTRACTS | 186,368 | 347,448 |
| 1.01.04.04 | PREPAID EXPENSES | 754,156 | 316,622 |
| 1.01.04.05 | OTHER ASSETS | 211,037 | 322,934 |
| 1.02 | NONCURRENT ASSETS | 14,588,644 | 14,869,551 |
| 1.02.01 | LONG-TERM RECEIVABLES | 3,172,772 | 3,191,157 |
| 1.02.01.01 | OTHER CREDIT | 0 | 0 |
| 1.02.01.02 | RECEIVABLES FROM RELATED PARTIES | 3,690 | 3,690 |
| 1.02.01.02.01 | FROM ASSOCIATED COMPANIES | 0 | 0 |
| 1.02.01.02.02 | FROM SUBSIDIARY COMPANIES | 0 | 0 |
| 1.02.01.02.03 | FROM OTHER RELATED PARTIES | 3,690 | 3,690 |
| 1.02.01.03 | OTHER | 3,169,082 | 3,187,467 |
| 1.02.01.03.01 | FINANCIAL INVESTMENTS AS GUARANTEE | 48,420 | 47,335 |
| 1.02.01.03.02 | DEFERRED AND RECOVERABLE TAXES | 2,769,798 | 2,732,022 |
| 1.02.01.03.03 | DERIVATIVE CONTRACTS | 244,813 | 285,303 |
| 1.02.01.03.04 | PREPAID EXPENSES | 63,992 | 80,206 |
| 1.02.01.03.05 | OTHER ASSETS | 42,059 | 42,601 |
| 1.02.02 | PERMANENT ASSETS | 11,415,872 | 11,678,394 |
| 1.02.02.01 | INVESTMENTS | 113 | 111 |
| 1.02.02.01.01 | ASSOCIATED COMPANIES | 0 | 0 |
| 1.02.02.01.02 | SUBSIDIARY COMPANIES | 0 | 0 |
| 1.02.02.01.03 | OTHER INVESTMENTS | 113 | 111 |
| 1.02.02.02 | PROPERTY, PLANT AND EQUIPMENT | 6,940,622 | 7,183,908 |
| 1.02.02.03 | INTANGIBLE ASSETS | 4,425,955 | 4,438,982 |
| 1.02.02.04 | DEFERRED CHARGES | 49,182 | 55,393 |

08.02 BALANCE SHEET CONSOLIDATED LIABILITIES AND SHAREHOLDERS EQUITY (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - ACCOUNT DESCRIPTION | 3 -03/31/2009 | 4 - 12/31/2008 |
|---------------|---|---------------|----------------|
| 2 | TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 22,434,252 | 23,796,804 |
| 2.01 | CURRENT LIABILITIES | 8,017,707 | 9,379,831 |
| 2.01.01 | LOANS AND FINANCING | 2,726,393 | 3,098,346 |
| 2.01.02 | DEBENTURES | 267,876 | 21,502 |
| 2.01.03 | SUPPLIERS | 2,912,345 | 3,726,324 |
| 2.01.04 | TAXES PAYABLE | 670,102 | 785,603 |
| 2.01.05 | DIVIDENDS PAYABLE | 423,166 | 545,864 |
| 2.01.06 | PROVISIONS | 95,670 | 91,136 |
| 2.01.07 | PAYABLES TO RELATED PARTIES | 5,221 | 0 |
| 2.01.08 | OTHER | 916,934 | 1,111,056 |
| 2.01.08.01 | DERIVATIVE CONTRACTS | 25,665 | 105,352 |
| 2.01.08.02 | PAYROLL AND SOCIAL CHARGES | 131,895 | 185,471 |
| 2.01.08.03 | OTHER LIABILITIES | 759,374 | 820,233 |
| 2.02 | NONCURRENT LIABILITIES | 5,414,059 | 5,561,642 |
| 2.02.01 | LONG-TERM LIABILITIES | 5,414,059 | 5,561,642 |
| 2.02.01.01 | LOANS AND FINANCING | 3,661,093 | 3,826,385 |
| 2.02.01.02 | DEBENTURES | 1,057,691 | 1,056,923 |
| 2.02.01.03 | PROVISIONS | 105,947 | 102,947 |
| 2.02.01.04 | PAYABLES TO RELATED PARTIES | 11 | 0 |
| 2.02.01.05 | ADVANCE FOR FUTURE CAPITAL INCREASE | 0 | 0 |
| 2.02.01.06 | OTHER | 589,317 | 575,387 |
| 2.02.01.06.01 | TAXES PAYABLE | 288,873 | 275,272 |
| 2.02.01.06.02 | DERIVATIVE CONTRACTS | 91,956 | 97,971 |
| 2.02.01.06.03 | OTHER LIABILITIES | 208,488 | 202,144 |
| 2.04 | MINORITY INTEREST | 611,450 | 587,804 |
| 2.05 | SHAREHOLDERS EQUITY | 8,391,036 | 8,267,527 |
| 2.05.01 | CAPITAL STOCK | 6,900,422 | 6,710,526 |
| 2.05.02 | CAPITAL RESERVES | 518,678 | 708,574 |
| 2.05.03 | REVALUATION RESERVE | 0 | 0 |
| 2.05.03.01 | OWN ASSETS | 0 | 0 |
| 2.05.03.02 | SUBSIDIARY/ASSOCIATED COMPANIES | 0 | 0 |
| 2.05.04 | INCOME RESERVES | 848,427 | 848,427 |
| 2.05.04.01 | LEGAL | 120,955 | 120,955 |
| 2.05.04.02 | STATUTORY | 0 | 0 |
| 2.05.04.03 | CONTINGENCIES | 0 | 0 |
| 2.05.04.04 | REALIZABLE PROFIT RESERVES | 0 | 0 |
| 2.05.04.05 | RETENTION OF PROFITS | 727,472 | 727,472 |
| 2.04.04.06 | SPECIAL RESERVE FOR UNDISTRIBUTED DIVIDENDS | 0 | 0 |
| 2.04.04.07 | OTHER PROFIT RESERVES | 0 | 0 |
| 2.05.06 | RETAINED EARNINGS/ACCUMULATED DEFICIT | 123,509 | 0 |
| 2.05.07 | ADVANCE FOR FUTURE CAPITAL INCREASE | 0 | 0 |

09.01 CONSOLIDATED STATEMENT OF OPERATIONS (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - DESCRIPTION | 3 - 01/01/2009 to 03/31/2009 | 4 - 01/01/2009 to 03/31/2009 | 5 - 01/01/2008 to 03/31/2008 | 6 - 01/01/2008 to 03/31/2008 |
|------------|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 3.01 | GROSS SALES AND/OR SERVICES | 5,593,966 | 5,593,966 | 4,607,326 | 4,607,326 |
| 3.02 | DEDUCTIONS | (1,573,847) | (1,573,847) | (1,275,348) | (1,275,348) |
| 3.03 | NET SALES AND/OR SERVICES | 4,020,119 | 4,020,119 | 3,331,978 | 3,331,978 |
| 3.04 | COST OF SALES AND/OR SERVICES | (2,277,488) | (2,277,488) | (1,747,155) | (1,747,155) |
| 3.05 | GROSS PROFIT | 1,742,631 | 1,742,631 | 1,584,823 | 1,584,823 |
| 3.06 | OPERATING EXPENSES/INCOME | (1,492,738) | (1,492,738) | (1,345,273) | (1,345,273) |
| 3.06.01 | SELLING EXPENSES | (989,005) | (989,005) | (878,640) | (878,640) |
| 3.06.02 | GENERAL AND ADMINISTRATIVE EXPENSES | (348,966) | (348,966) | (288,443) | (288,443) |
| 3.06.03 | FINANCIAL | (149,143) | (149,143) | (57,209) | (57,209) |
| 3.06.03.01 | FINANCIAL INCOME | 87,894 | 87,894 | 75,305 | 75,305 |
| 3.06.03.02 | FINANCIAL EXPENSES | (237,037) | (237,037) | (132,514) | (132,514) |
| 3.06.04 | OTHER OPERATING INCOME | 105,620 | 105,620 | 69,384 | 69,384 |
| 3.06.05 | OTHER OPERATING EXPENSES | (111,244) | (111,244) | (190,365) | (190,365) |
| 3.06.06 | EQUITY IN EARNINGS OF SUBSIDIARY AND ASSOCIATED COMPANIES | 0 | 0 | 0 | 0 |
| 3.07 | OPERATING RESULT | 249,893 | 249,893 | 239,550 | 239,550 |
| 3.08 | NONOPERATING INCOME | 0 | 0 | 0 | 0 |
| 3.08.01 | REVENUES | 0 | 0 | 0 | 0 |
| 3.08.02 | EXPENSES | 0 | 0 | 0 | 0 |
| 3.09 | RESULT BEFORE TAXES AND PROFIT SHARING | 249,893 | 249,893 | 239,550 | 239,550 |
| 3.10 | PROVISION FOR INCOME AND SOCIAL CONTRIBUTION TAXES | (61,666) | (61,666) | (56,786) | (56,786) |
| 3.11 | DEFERRED INCOME TAX | (52,112) | (52,112) | (85,205) | (85,205) |
| 3.12 | STATUTORY INTEREST/CONTRIBUTIONS | 0 | 0 | 0 | 0 |
| 3.12.01 | INTEREST | 0 | 0 | 0 | 0 |
| 3.12.02 | CONTRIBUTIONS | 0 | 0 | 0 | 0 |

09.01 CONSOLIDATED STATEMENT OF OPERATIONS (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - DESCRIPTION | 3 - 01/01/2009 to 03/31/2009 | 4 - 01/01/2009 to 03/31/2009 | 5 - 01/01/2008 to 03/31/2008 | 6 - 01/01/2008 to 03/31/2008 |
|----------|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 3.13 | REVERSAL OF INTEREST ON SHAREHOLDERS EQUITY | 0 | 0 | 0 | 0 |
| 3.14 | MINORITY INTEREST | (12,606) | (12,606) | 0 | 0 |
| 3.15 | PROFIT/LOSS FOR THE PERIOD | 123,509 | 123,509 | 97,559 | 97,559 |
| | NUMBER OF SHARES, EX-TREASURY (THOUSAND) | 373,216 | 373,216 | 1,437,623 | 1,437,623 |
| | EARNINGS PER SHARE | 0.33093 | 0.33093 | 0.06786 | 0.06786 |
| | LOSS PER SHARE | | | | |

10.01 CONSOLIDATED STATEMENT OF CASH FLOW (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - DESCRIPTION | 3 - 01/01/2009 to 03/31/2009 | 4 - 01/01/2009 to 03/31/2009 | 5 - 01/01/2008 to 03/31/2008 | 6 - 01/01/2008 to 03/31/2008 |
|------------|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 4.01 | CASH GENERATED FROM OPERATING ACTIVITIES | 619,216 | 619,216 | 67,925 | 67,925 |
| 4.01.01 | ADJUSTMENTS TO RECONCILE THE NET PROFIT FOR THE PERIOD WITH FUNDS FROM THE OPERATING ACTIVITIES | 1,178,250 | 1,178,250 | 949,291 | 949,291 |
| 4.01.01.01 | NET PROFIT FOR THE PERIOD | 123,509 | 123,509 | 97,559 | 97,559 |
| 4.01.01.02 | MINORITY INTEREST | 12,606 | 12,606 | 0 | 0 |
| 4.01.01.03 | DEPRECIATION AND AMORTIZATION | 804,853 | 804,853 | 664,773 | 664,773 |
| 4.01.01.04 | RESIDUAL COST OF WRITTEN-OFF FIXED ASSET | 334 | 334 | (85) | (85) |
| 4.01.01.05 | REVERSAL OF PROVISIONS FOR LOSS ON INVENTORIES | 7,730 | 7,730 | 2,612 | 2,612 |
| 4.01.01.06 | WRITING-OFFS (REVERSAL) IN INVENTORIES | 88 | 88 | (382) | (382) |
| 4.01.01.07 | LOSSES (GAINS) ON FORWARD AND SWAP CONTRACTS | 105,399 | 105,399 | (54,721) | (54,721) |
| 4.01.01.08 | LOSSES (GAINS) ON, LOANS, FINANCING AND DEBENTURES | (57,915) | (57,915) | 81,360 | 81,360 |
| 4.01.01.09 | MONETARY VARIATIONS | 1,819 | 1,819 | 2,925 | 2,925 |
| 4.01.01.10 | ALLOWANCES FOR DOUBTFUL ACCOUNTS | 77,572 | 77,572 | 81,714 | 81,714 |
| 4.01.01.11 | POST-EMPLOYMENTS BENEFIT PLANS | 611 | 611 | 101 | 101 |
| 4.01.01.12 | PROVISIONS FOR CONTINGENCIES | 35,682 | 35,682 | 33,175 | 33,175 |
| 4.01.01.13 | REVERSAL FOR SUPPLIERS | (49,214) | (49,214) | (66,764) | (66,764) |
| 4.01.01.14 | PROVISIONS FOR DISPOSAL OF ASSETS | 4,791 | 4,791 | 10,821 | 10,821 |
| 4.01.01.15 | PROVISIONS FOR, TAXES, FEES AND CONTRIBUTIONS | 61,389 | 61,389 | 5,000 | 5,000 |
| 4.01.01.16 | PROVISIONS (REVERSAL) FOR LOYALTY PROGRAM | (3,116) | (3,116) | 5,998 | 5,998 |
| 4.01.01.17 | DEFERRED INCOME TAX | 52,112 | 52,112 | 85,205 | 85,205 |
| 4.01.02 | VARIATIONS ON ASSETS AND LIABILITIES | (559,034) | (559,034) | (881,366) | (881,366) |
| 4.01.02.01 | ACCOUNTS RECEIVABLE | 119,303 | 119,303 | 69,360 | 69,360 |
| 4.01.02.02 | INVENTORIES | 288,151 | 288,151 | (10,481) | (10,481) |
| 4.01.02.03 | DEFERRED TAXES AND TAX CREDITS | 213,806 | 213,806 | (87,719) | (87,719) |
| 4.01.02.04 | OTHER CURRENT AND NON-CURRENT ASSETS | (302,743) | (302,743) | (307,751) | (307,751) |
| 4.01.02.05 | LABOR, PAYROLL CHARGES AND BENEFITS | (53,576) | (53,576) | (62,166) | (62,166) |
| 4.01.02.06 | SUPPLIERS AND ACCOUNTS PAYABLE | (764,764) | (764,764) | (576,260) | (576,260) |
| 4.01.02.07 | INTEREST ON LOANS, FINANCING AND DEBENTURES | 185,071 | 185,071 | 83,378 | 83,378 |
| 4.01.02.08 | PROVISIONS FOR CONTINGENCIES | (27,366) | (27,366) | (15,081) | (15,081) |

10.01 CONSOLIDATED STATEMENT OF CASH FLOW (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - DESCRIPTION | 3 - 01/01/2009 to 03/31/2009 | 4 - 01/01/2009 to 03/31/2009 | 5 - 01/01/2008 to 03/31/2008 | 6 - 01/01/2008 to 03/31/2008 |
|------------|---|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| 4.01.02.09 | TAXES, FEES AND CONTRIBUTIONS | (165,079) | (165,079) | 35,790 | 35,790 |
| 4.01.02.10 | OTHER CURRENT AND NON-CURRENT LIABILITIES | (51,837) | (51,837) | (10,436) | (10,436) |
| 4.01.03 | OTHERS | 0 | 0 | 0 | 0 |
| 4.02 | CASH INVESTED IN INVESTMENT ACTIVITIES | (540,649) | (540,649) | (255,039) | (255,039) |
| 4.02.01 | ADDITIONS TO FIXED AND INTANGIBLE ASSETS | (537,863) | (537,863) | (254,527) | (254,527) |
| 4.02.02 | ADDITIONS TO DEFERRED ASSETS | (3,341) | (3,341) | (2,113) | (2,113) |
| 4.02.03 | PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT | 555 | 555 | 1,601 | 1,601 |
| 4.03 | CASH GENERATED FROM (INVESTED IN) FINANCING ACTIVITIES | (524,164) | (524,164) | 179,072 | 179,072 |
| 4.03.01 | FUNDING FROM LOANS, FINANCING AND DEBENTURES | 210,000 | 210,000 | 547,862 | 547,862 |
| 4.03.02 | REPAYMENT OF LOANS, FINANCING AND DEBENTURES | (550,592) | (550,592) | (269,606) | (269,606) |
| 4.03.03 | PAYMENT OF INTEREST ON LOANS, FINANCING AND DEBENTURES | (76,667) | (76,667) | (58,034) | (58,034) |
| 4.03.04 | REPAYMENT (RECEIPT) OF FORWARD AND SWAP CONTRACTS | 7,311 | 7,311 | (38,181) | (38,181) |
| 4.03.05 | PROCEEDS FROM MINORITY CAPITAL INCREASE | 8,842 | 8,842 | 0 | 0 |
| 4.03.06 | PAYMENT OF REVERSE STOCK SPLIT | (360) | (360) | (922) | (922) |
| 4.03.07 | PAYMENT OF DIVIDENDS AND INTEREST ON SHAREHOLDERS EQUITY | (122,698) | (122,698) | (2,047) | (2,047) |
| 4.04 | | 0 | 0 | 0 | 0 |
| 4.05 | DECREASE IN CASH AND CASH EQUIVALENTS | (445,597) | (445,597) | (8,042) | (8,042) |
| 4.05.01 | INITIAL BALANCE | 2,182,913 | 2,182,913 | 2,190,990 | 2,190,990 |
| 4.05.02 | FINAL BALANCE | 1,737,316 | 1,737,316 | 2,182,948 | 2,182,948 |

11. 01 CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY (IN THOUSANDS OF REAIS)

| 1 - CODE | 2 - DESCRIPTION | 3 - CAPITAL STOCK | 4 - CAPITAL RESERVES | 6 - INCOME RESERVES | 7 - RETAINED EARNINGS | 9 - TOTAL SHAREHOLDERS EQUITY |
|----------|---|-------------------|----------------------|---------------------|-----------------------|-------------------------------|
| 5.01 | BALANCES AT DECEMBER, 31 2008 | 6,710,526 | 708,574 | 848,427 | 0 | 8,267,527 |
| 5.04 | NET PROFIT FOR THE PERIOD | 0 | 0 | 0 | 123,509 | 123,509 |
| 5.09 | CAPITAL INCREASE OUT OF RESERVES, AS PER AGE 02.12.09 | 189,896 | (189,896) | 0 | 0 | 0 |
| 5.09.01 | CAPITAL INCREASE OUT OF RESERVES, AS PER AGE 02.12.09 | 189,896 | (189,896) | 0 | 0 | 0 |
| 5.13 | BALANCES AT MARCH, 31 2009 | 6,900,422 | 518,678 | 848,427 | 123,509 | 8,391,036 |

A free translation from Portuguese into English of Special Review Report of Independent Auditors on Quarterly Financial Statements prepared in accordance with the accounting practices adopted in Brazil and with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), in conjunction with the National Association of State Boards of Accountancy (CFC)

REPORT OF INDEPENDENT AUDITORS ON SPECIAL REVIEW

To the Board of Directors and Shareholders

Vivo Participações S.A.

São Paulo SP

1. We reviewed the accounting information contained in the Quarterly Information (ITR) (company and consolidated) of Vivo Participações S.A. (Company) for the quarter ended March 31, 2009, comprising the balance sheet and the statements of income, of changes in shareholders' equity and of cash flows, the report on performance and notes thereto. These financial statements are the responsibility of the Company management.
2. We conducted our review in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), in conjunction with the National Association of State Boards of Accountancy (CFC), comprising mainly: (a) inquiries of and discussion with accounting, financial and operating officials of the Company about the main criteria adopted in the preparation of the Quarterly Information; and (b) review of the information and subsequent events that have or may have significant effects on the financial and operating position of the Company.
3. Based on our review, we are not aware of any significant modification that should be made to the Quarterly Information referred to in paragraph 1 for it to be in accordance with the standards required by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Information.
4. As mentioned in Note 2, in connection with the changes in accounting practices adopted in Brazil during 2008, the statements of income for the quarter ended March 31, 2008, presented for comparison purposes, were adjusted and are being restated in line with Accounting Standards and Procedures (NPC) 12 Accounting Practices, Changes in Accounting Estimates and Correction of Errors, approved by CVM Resolution No. 506. The cash flows are being presented by the Company for the first time for Quarterly Information purposes, addressing the effects of changes in the accounting practices adopted in Brazil during 2008 and therefore are also comparable between the quarters presented.

São Paulo, April 30, 2009

ERNST & YOUNG

Audidores Independentes S.S.

CRC-2-SP 015199/O-6

Luiz Carlos Passetti
Partner CRC-1-SP-144.343/O-3

Drayton Teixeira de Melo
Partner CRC-1-SP-236947/O-3

VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

1. OPERATIONS

a. Equity Control

Vivo Participações S/A (Company) is a publicly-held company that, at March 31, 2009, has as controlling shareholders Brasilcel N.V. and its subsidiaries Portelcom Participações S/A, Sudestecel Participações Ltda., Avista Participações Ltda., TBS Celular Participações Ltda. and Tagilo Participações Ltda., which jointly hold, treasury shares excluded, 63.79% of the Company's total capital stock.

Brasilcel N.V. is jointly controlled by Telefónica S/A (50% of the total capital stock), PT Móveis, Serviços de Telecomunicações, SGPS, S/A (49.999% of the total capital stock) and Portugal Telecom, SGPS, S/A (0.001% of the total capital stock).

b. Subsidiaries

The Company is the 100% controlling shareholder of Vivo S.A. (Vivo or subsidiary), a provider of mobile telephone services, including activities necessary or useful for the performance of such services, in accordance with authorizations granted thereto.

The Company is also the controlling shareholder of Telemig Celular Participações S.A. (Telemig Participações or subsidiary), holding 58.94% of its total capital and also holding 7.39% of the total capital of Telemig Celular S.A. (Telemig Celular or subsidiary).

Telemig Participações holds 83.25% of the total capital stock of Telemig Celular, which is a company that provides personal mobile telephone service, including activities necessary or useful for the performance of these services, in accordance with the authorizations granted thereto.

c. Authorization and Frequencies

The subsidiaries' business and the services they may provide are regulated by the National Telecommunications Agency (ANATEL), the regulatory authority for telecommunication services in Brazil, in accordance with Law No. 9,472, dated July 16, 1997, and respective regulations, decrees, decisions and supplementary plans.

The authorizations granted by ANATEL may only be renewed once, for a 15-year period, and requires payment every two years after the first renewal, of rates equivalent to 2% of the company's revenue for the year prior to that of the payment, net of taxes and mandatory social contributions related to the application of the Basic and Alternative Plans of Service.

d. Agreement between Telefónica S.A. and Telecom Italy

In October 2007, TELCO S.p.A. (in which Telefónica S.A holds an interest of 42.3%), completed the acquisition of 23.6% of Telecom Italia. Telefónica S.A. has the shared control of Vivo Participações S.A., through its joint venture with Portugal Telecom. Telecom Italia holds an interest in TIM Participações S.A (TIM), which is a mobile telephone operator in Brazil. As a result of the acquisition of its interest in Telecom Italia, Telefónica S.A. does not have any direct involvement in the operations of TIM. Additionally, any transactions between the Company and TIM are transactions in the regular course of business, which are regulated by the ANATEL.

VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

2. BASIS OF PREPARATION AND PRESENTATION OF THE QUARTERLY FINANCIAL STATEMENTS

a) Quarterly financial statements

The quarterly financial statements (ITR s) are presented in thousands of Brazilian reais (except as otherwise mentioned) and have been prepared based on the accounting practices adopted in Brazil, as well as on the rules issued by the Brazilian Securities and Exchange Commission (CVM), with due regard to the accounting standards set forth in the corporation law (Law No. 6,404/76), or Brazilian Corporate Law, which include the new provisions introduced, amended and revoked by Law No. 11,638, dated December 28, 2007 and by Executive Act No. 449, dated December 03, 2008, with further regard, also, to the rules applicable to telecommunication service concessionaires.

The requirements of Brazilian Corporate Law apply to fiscal years beginning on January 01, 2008. These requirements are not to be considered as changes of circumstances or of estimates and, therefore, the adoption of new practices introduced by Law no. 11.638/07, as a general rule, must be shown retrospectively, that is, by application of these new accounting practices as if they had been in use during all the periods presented, with due regard to the rule governing Accounting Practices, Changes to Accounting Estimates and Correction of Mistakes , as approved by the CVM, by Resolution No. 506. Accordingly, the Quarterly Information for the three-month period ended March 31, 2008 was restated with the purpose of making them comparable with the Quarterly Information related to the three-month period ended March 31, 2009 (note 2b).

The consolidated income statement of the Company for the three-month period ended March 31, 2008 does not contemplate the consolidated income of Telemig Participações for the same period.

In order to allow a better understanding and comparison we have disclosed in note 31 the combined income statement, assuming that the effects of the acquisition of Telemig Celular and Telemig Participações had already occurred since January 01, 2008.

All balances of assets and liabilities, revenues and expenses arising out of transactions between the consolidated companies have been eliminated in the consolidated statements.

These ITR s were prepared pursuant to principles, practices and criteria consistent with those adopted in preparing the financial statements for the last fiscal year and should be reviewed together with said statements.

VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

b) Effect of the adjustments of Law No. 11,638/07 and of Executive Act No. 449 (MP No. 449/08)

The table below shows the effects of the application of Law No. 11,638/07 and of MP No. 449/08 in the consolidated income statement for the three-month period ended March 31, 2008.

| | Three-month period ended March 31, 2008 | | |
|---|---|---------------------|---------------|
| | Summary description of adjustment | Controlling Company | Consolidated |
| Net profit before changes introduced by Law No. 11,638/07 and MP No. 449/08 | | 89,609 | 89,609 |
| Depreciation of mercantile-financial lease | (1) | | (1,317) |
| Financial income (expenses) from: | | | |
| Fair value of derivative transactions | (2) | 198 | (20,680) |
| Fair value of loans | (2) | (72) | 36,950 |
| Present value of monetary assets | (3) | | (2,907) |
| Income tax and social contribution on total adjustments | (4) | (43) | (4,096) |
| Equity accounting on the adjustments under Law No. 11,638/07 and MP No. 449/08 | (5) | 7,867 | |
| Net effects resulting from full application of Law No. 11,638/07 and MP No. 449/08 | | 7,950 | 7,950 |
| Net profit with full application of Law No. 11,638/07 and MP No. 449/08 | | 97,559 | 97,559 |

1. Depreciation of mercantile-financial lease of information technology equipment, pursuant to the provisions in CPC 06;
2. Financial income (expenses) resulting from the adjustments to fair value of transactions with derivatives and loans, as applicable, pursuant to the provisions in CPC 14;
3. Financial expenses resulting from the adjustment to present value of the tax on Circulation of Merchandise and Services (*Imposto sobre Circulação de Mercadorias e Serviços* ICMS) on acquisitions of fixed assets, using the Long Term Interest Rate (TJLP);
4. Income tax (25%) and social contribution (9%), applied to all the above described adjustments;
5. Equity accounting resulting from the above described adjustments;

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Additionally, on account of the elimination of the Non-operating income, in conformity with MP No. 449/08, the Company has reclassified consolidated net expenses in the amount of R\$357 in the income statement for the three-month period ended March 31, 2008 in Other operating revenue (expenses), net.

3. CASH AND CASH EQUIVALENTS

| | Controlling Company | | Consolidated | |
|-----------------------|---------------------|----------|--------------|-----------|
| | 03.31.09 | 12.31.08 | 03.31.09 | 12.31.08 |
| Cash | 89 | 385 | 24,614 | 56,038 |
| Financial investments | 395,670 | 10,321 | 1,712,702 | 2,126,875 |
| Total | 395,759 | 10,706 | 1,737,316 | 2,182,913 |

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VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

The financial investments refer to fixed income transactions, indexed to the variation of the Interbank Deposit Certificates (CDI), with immediate liquidity.

4. TRADE ACCOUNTS RECEIVABLE, NET

| | Consolidated | |
|---------------------------------------|--------------|-----------|
| | 03.31.09 | 12.31.08 |
| Receivables from billed services | 949,521 | 1,125,162 |
| Receivables from interconnection fees | 784,471 | 796,147 |
| Receivables from unbilled services | 672,587 | 539,812 |
| Receivables from goods sold | 373,691 | 504,685 |
| (-) Allowance for doubtful accounts | (398,647) | (387,308) |
| Total | 2,381,623 | 2,578,498 |

No customer represents more than 10% of the net accounts receivable at March 31, 2009 and December 31, 2008.

At March 31, 2009, the balance of accounts receivable includes R\$233.122 (R\$235,867 at December 31, 2008) related to transfer of co-billing of other operators, the amounts of which were determined on the basis of statements of commitment, once the corresponding contracts have not yet been signed by the parties. Pending matters related to the definition of liability for losses resulting from fraud have not yet been resolved, and await decision by the regulatory agency as well as settlement between the parties. The Company does not expect financial losses with respect to this matter.

The changes in the allowance for doubtful accounts are as follows:

| | Consolidated | |
|--|--------------|-----------|
| | 2009 | 2008 |
| Balance at beginning of year | 387,308 | 344,701 |
| Additional allowance in the 1Q (note 21) | 77,573 | 81,714 |
| Write-offs and recoveries in the 1Q | (66,234) | (67,276) |
| Balance at March 31 | 398,647 | 359,139 |
| Net consolidated receipts from Telemig Participações at 03.31.08 | | 31,746 |
| Additional allowance in the 2Q, 3Q and 4Q08 | | 222,131 |
| Write-offs and recoveries in 2Q, 3Q and 4Q08 | | (225,708) |
| Balance at year end | | 387,308 |

VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

5. INVENTORIES

| | Consolidated | |
|--------------------------------|----------------|----------------|
| | 03.31.09 | 12.31.08 |
| Handsets | 471,514 | 747,186 |
| Simcard (chip) | 43,618 | 57,514 |
| Accessories and other | 17,913 | 16,584 |
| (-) Provision for obsolescence | (50,310) | (42,580) |
| Total | 482,735 | 778,704 |

6. DEFERRED AND RECOVERABLE TAXES

6.1 Breakdown

| | Controlling Company | | Consolidated | |
|---|---------------------|----------------|------------------|------------------|
| | 03.31.09 | 12.31.08 | 03.31.09 | 12.31.08 |
| Prepaid social contribution and income tax | 534,578 | 568,350 | 697,767 | 848,473 |
| ICMS tax credit | | | 554,604 | 553,521 |
| PIS and COFINS tax credits | 28,529 | 28,529 | 337,788 | 370,813 |
| Withholding income tax | 1,385 | 378 | 149,252 | 155,204 |
| Other tax credits | 270 | 270 | 28,594 | 23,951 |
| Total tax credits | 564,762 | 597,527 | 1,768,005 | 1,951,962 |
| Deferred income and social contribution taxes | 2,810 | 1,577 | 2,895,129 | 2,946,649 |
| ICMS to be allocated | | | 164,775 | 192,058 |
| Total | 567,572 | 599,104 | 4,827,909 | 5,090,669 |
| Current | 7,562 | 22,732 | 2,058,111 | 2,358,647 |
| Noncurrent | 560,010 | 576,372 | 2,769,798 | 2,732,022 |

Telemig Celular is entitled to tax reduction benefit of 75% on the taxable profit generated in the tax incentive areas within the scope of the Agency for Development of the Northeast ADENE, where the carrier operates (North of Minas Gerais and Vale do Jequitinhonha) for a period of 10 years as from 2004.

VIVO PARTICIPAÇÕES S.A.

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(in thousands of Brazilian Reais, except as otherwise mentioned)

The breakdown of deferred income and social contribution taxes is as follows:

| | Consolidated | |
|--|------------------|------------------|
| | 03.31.09 | 12.31.08 |
| Tax loss and negative tax basis (a) | 1,152,149 | 1,131,195 |
| Incorporated tax credit reorganization (b) | 808,243 | 916,994 |
| Tax credits on provisions for: (c) | | |
| Contingencies and legal liabilities CVM 489 | 211,252 | 202,983 |
| Accelerated depreciation | 193,093 | 143,431 |
| Suppliers | 141,528 | 155,185 |
| Doubtful accounts | 135,540 | 131,685 |
| Provision for disposal of and losses in fixed assets | 109,851 | 106,830 |
| Customer loyalty program | 38,649 | 39,980 |
| Provision for inventory obsolescence | 17,105 | 14,478 |
| Employee profit sharing | 15,492 | 33,163 |
| Derivative and other securities transactions | 72,227 | 70,725 |
| Total deferred taxes | 2,895,129 | 2,946,649 |
| Current | 1,018,050 | 1,120,523 |
| Noncurrent | 1,877,079 | 1,826,126 |

The amount recorded in the current assets refers to reversal of temporary differences, use of tax losses and goodwill amortization expected for the next twelve months.

The deferred taxes were recorded assuming their future realization, as follows:

- a) *Tax loss and negative tax base*: represents the amount recorded by the subsidiaries, which will be offset up to the limit of 30% of the tax base computed in the coming fiscal years and subject to no statute of limitations. The Company did not record the potential deferred income tax and social contribution credit that would arise from the use of these tax bases in the amount of R\$713,775 (R\$689,572 at December 31, 2008), given the uncertainty, at this time, as to the Company's ability to generate future taxable income to ensure realization of these deferred taxes.
- b) *Tax credit incorporated*: represented by the net balance of goodwill and provision for maintenance of the shareholders' equity integrity (note 6.2). Realization will occur in a period from 5 to 10 years. Studies performed by independent consultants hired during the corporate reorganization process support the recovery of such amounts within the above time frame.
- c) *Temporary differences*: realization will occur upon payment of the provisions, effective loss on bad debts or realization of inventories, as well as reversal of other provisions. The Company did not record the potential deferred income tax and social contribution credit that would arise from the use of these provisions in the amount of R\$156,248 (R\$155,481 at December 31, 2008), given the uncertainty, at this time, as to the Company's ability to generate future taxable income to ensure realization of these deferred taxes.

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The Company prepared feasibility studies, approved by its Board of Directors, which indicated the full recovery of deferred tax amounts recognized at December 31, 2008, as defined in CVM Instruction No. 371. During the three-month period ended March 31, 2009, no relevant fact occurred that indicated limitations to full recovery of the deferred tax amounts recognized by the subsidiaries.

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VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

6.2 Tax credit incorporated Corporate Restructuring

As a result of the corporate reorganization process, the Company incorporated the goodwill paid on the privatization and acquisition of subsidiaries.

Prior to the transfers, provisions were recorded for maintenance of the stockholders' equity of the merged company and, consequently, the net assets being merged represent, essentially, the tax benefit arising out of possible deduction of the incorporated goodwill.

Included in the accounting records held for corporate and tax purposes by the Company and its subsidiaries are specific accounts related to incorporated goodwill and provision and corresponding amortization, reversal and tax credit, the balances of which are as follows:

| | Consolidated | | | 12.31.08 Net |
|--|--------------|-----------------------|---------|-----------------|
| | Goodwill | 03.31.09 Provision | Net | |
| Reorganization | | | | |
| Telemig Participações S.A. corporate reorganization | 1,400,136 | (924,090) | 476,046 | 504,958 |
| Global Telecom S.A. Acquisition | 387,894 | (256,010) | 131,884 | 141,611 |
| Telesp Celular S.A. Privatization | 212,849 | (140,480) | 72,369 | 99,507 |
| Tele Centro-Oeste Celular Participações S.A. Acquisition | 156,480 | (103,277) | 53,203 | 85,538 |
| Telemig Celular S.A. corporate reorganization | 126,563 | (83,532) | 43,031 | 45,524 |
| Tele Leste Celular Participações S.A. Privatization | 50,814 | (33,538) | 17,276 | 20,010 |
| Telemig Participações S.A. Privatization | 42,452 | (28,018) | 14,434 | 19,846 |
| Total | 2,377,188 | (1,568,945) | 808,243 | 916,994 |

The changes in the three-month periods ended on March 31 are as follows:

| Result: | Consolidated | |
|-----------------------|--------------|-----------|
| | 2009 | 2008 |
| Goodwill amortization | (328,550) | (220,262) |
| Provision reversal | 219,799 | 148,328 |
| Tax credit | 108,751 | 71,934 |
| Effect on income | | |

To the extent the tax benefits are actually realized, the amount shall be incorporated into the capital stock to the benefit of the controlling shareholders, the other shareholders being assured preemptive rights. Proceeds arising out of the exercise of the preemptive rights shall be paid to the controlling shareholders.

At a meeting of the Board of Directors held on February 12, 2009, the capitalization of a portion of the special goodwill reserve to the benefit of the controlling shareholders was approved, in the amount of R\$189,896, corresponding to the tax benefits generated in 2008 (note 18).

VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

7. PREPAID EXPENSES

| | Consolidated | |
|---|--------------|----------|
| | 03.31.09 | 12.31.08 |
| Telecommunication Inspection Fee (Fistel) | 637,361 | 199,851 |
| Advertising and publicity | 115,691 | 136,244 |
| Rent | 13,360 | 19,696 |
| Financial charges | 9,442 | 8,747 |
| Insurance premium, software and other | 42,294 | 32,290 |
| Total | 818,148 | 396,828 |
| Current | 754,156 | 316,622 |
| Noncurrent | 63,992 | 80,206 |

8. OTHER ASSETS

| | Consolidated | |
|--|--------------|----------|
| | 03.31.09 | 12.31.08 |
| Escrow and restricted deposits | 103,996 | 100,492 |
| Credits with suppliers | 62,587 | 111,883 |
| Subsidies on terminal sales | 35,660 | 115,593 |
| Advances to employees | 17,889 | 6,736 |
| Credits with group companies | 13,365 | 11,064 |
| Prepayments to suppliers | 1,858 | 1,550 |
| Credits with Amazônia Celular S.A. and Tele Norte Celular Participações S.A. (a) | 306 | 8,522 |
| Other assets | 21,125 | 13,385 |
| Total | 256,786 | 369,225 |
| Current | 211,037 | 322,934 |
| Noncurrent | 45,749 | 46,291 |

- (a) These refer to the amounts of administrative and human resources sharing contract and establishment of condominium with Telemig and Telemig Participações, existing until the date of acquisition of the share control by Vivo Participações. The balances are remunerated based on the Interbank Deposit Certificate (CDI) variation.

9. INVESTMENTS

- a) *Subsidiaries information*

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| Investees | Shareholders equity at | | Net profit for | |
|------------------------------------|------------------------|-----------|----------------|----------|
| | 03.31.09 | 12.31.08 | 03.31.09 | 03.31.08 |
| Vivo S.A. | 7,286,049 | 7,117,315 | 168,734 | 209,347 |
| Telemig Celular Participações S.A. | 1,772,876 | 1,747,609 | 25,267 | |

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VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

b) *Breakdown and changes*

The balance of the Company's investments includes interest in subsidiaries' equity, goodwill, advances for future capital increase and allowance for losses in investments, as well as other investments, as shown below:

| | Controlling Company | | Consolidated | |
|-------------------------------------|---------------------|-----------|--------------|----------|
| | 03.31.09 | 12.31.08 | 03.31.09 | 12.31.08 |
| Investments in subsidiaries | 7,774,352 | 7,285,216 | | |
| Advance for future capital increase | 905,440 | 1,217,565 | | |
| Other investments | 104 | 104 | 113 | 111 |
| Investment balance | 8,679,896 | 8,502,885 | 113 | 111 |

The changes in the Company's investments for fiscal years ended on March 31 are as follows:

b.1) *Investments in subsidiaries*

| | 03.31.09 | 03.31.08 |
|---|-----------|-----------|
| Balance the beginning of the year | 7,285,216 | 6,090,460 |
| Equity accounting result on net profit of the subsidiaries | 185,373 | 209,347 |
| Capital increase of reserves | 310,110 | |
| Minority shareholders subscription in capital increase out of reserves | (8,842) | |
| Adjustment to the allocation of interest on shareholders' equity and dividends of Telemig Celular in 2008 | 560 | |
| Gain generated from capital increase out of reserves | 1,935 | |
| Balance at March 31 | 7,774,352 | 6,299,807 |
| Equity accounting result on net profit of the subsidiaries | | 740,519 |
| Capital reduction | | (700,000) |
| Capital increase of reserves | | 518,348 |
| Minority shareholders subscription in capital increase of reserves | | (8,135) |
| Investments acquisition | | 979,352 |
| Loss generated from capital increase of reserves | | (1,640) |
| Forfeited interest on shareholders' equity and dividends | | 10,218 |
| Interest on shareholders' equity and dividends | | (547,493) |
| Effects of Law No. 11,638/07 of Telemig Participações | | (5,760) |
| Balance at the year end | | 7,285,216 |

VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

b.2) *Advance for future capital increase*

| | 03.31.09 | 03.31.08 |
|---|-----------|-----------|
| Balance at the beginning of the year | 1,217,565 | 1,105,818 |
| Capital increase of reserves | (310,110) | |
| Premium generated from capital increase of reserves | (2,015) | |
| Balance at March 31 | 905,440 | 1,105,818 |
| Capital increase out of reserves | | (518,348) |
| Special premium reserve referring to corporate reorganization Telemig | | 630,095 |
| Balance at the year end | | 1,217,565 |

10. PROPERTY, PLANT AND EQUIPMENT, NET

| | Annual depreciation rates (%) | Cost | Consolidated | | |
|---|-------------------------------|------------|--------------------------|------------------------------------|------------------------------------|
| | | | 03.31.09 | 12.31.08 | |
| | | | Accumulated depreciation | Property, plant and equipment, net | Property, plant and equipment, net |
| Transmission equipment | 10.00 to 33.33 | 9,219,681 | (6,981,960) | 2,237,721 | 2,331,720 |
| Switching equipment | 10.00 to 33.33 | 4,316,801 | (2,769,438) | 1,547,363 | 1,562,995 |
| Infrastructure | 2.86 to 20.00 | 3,094,920 | (1,793,459) | 1,301,461 | 1,277,211 |
| Terminal equipment | 50.00 to 66.67 | 2,413,126 | (2,104,056) | 309,070 | 305,205 |
| Buildings | 2.86 to 4.00 | 298,551 | (89,886) | 208,665 | 209,352 |
| Land | | 70,352 | | 70,352 | 70,352 |
| Mercantile-financial lease | 20.00 | 21,681 | (12,756) | 8,925 | 10,200 |
| Other assets | 6.67 to 20.00 | 1,774,733 | (1,231,741) | 542,992 | 559,085 |
| Properties and construction in progress | | 714,073 | | 714,073 | 857,788 |
| Total | | 21,923,918 | (14,983,296) | 6,940,622 | 7,183,908 |

In the three-month period ended March 31, 2009, Vivo capitalized financial expenses incurred in connection with loans for financing construction in progress in the amount of R\$15,741 (R\$7,340 in the same period of 2008).

At March 31, 2009, the subsidiaries had items of property, plant & and equipment offered as collateral in lawsuits in the amount of R\$109,173 (R\$105,866 at December 31, 2008).

VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

11. INTANGIBLE ASSETS, NET

| | Annual amortization rates (%) | Cost | Consolidated | | Intangible, net |
|---|-------------------------------------|-----------|-----------------------------|-----------|--------------------|
| | | | 03.31.09 | 12.31.08 | |
| | | | Accumulated amortization | | Intangible, net |
| Concession licenses | 6.67 to 28.9 | 2,249,619 | (788,197) | 1,461,422 | 1,498,601 |
| Goodwill premium and provision for losses on investment acquisition (a) | | 2,785,572 | (1,359,279) | 1,426,293 | 1,424,278 |
| Software use rights | 20.00 | 4,153,697 | (2,817,245) | 1,336,452 | 1,289,666 |
| Goodwill premium Ceterp Celular S.A. | 10.0 | 84,265 | (68,114) | 16,151 | 16,151 |
| Goodwill | (*) | 32,079 | (24,361) | 7,718 | 8,393 |
| Other assets | 6.67 to 20.0 | 49,334 | (45,857) | 3,477 | 3,320 |
| Intangible in progress software | | 174,442 | | 174,442 | 198,573 |
| Total | | 9,529,008 | (5,103,053) | 4,425,955 | 4,438,982 |

- (a) Goodwill resulting from acquisitions of corporate equity, based on future profitability, was amortized pursuant to the straight line method until December 31, 2008, according to the provisions set forth in Law No. 11,638/07. This includes allowances for losses which were recorded on December 31, 2001 and 2002, in order to recognize permanent losses arising from goodwill as a result of accumulated losses recorded by subsidiary Global Telecom S.A. as of the mentioned dates.

(*) According to contract terms

12. DEFERRED ASSETS, NET

These refer to pre-operating expenses which are amortized for a period of 10 years, in the net amounts of R\$49,182 and R\$55,393 at March 31, 2009 and December 31, 2008, respectively, as permitted in MP No. 449/08.

13. SUPPLIERS AND TRADE ACCOUNTS PAYABLE

| | Consolidated | |
|----------------------------------|--------------|-----------|
| | 03.31.09 | 12.31.08 |
| Suppliers | 2,082,386 | 2,848,620 |
| Amounts to be transferred LD (a) | 370,816 | 408,807 |
| Interconnection / linking | 238,641 | 231,015 |
| Technical assistance | 166,022 | 170,178 |
| Other | 54,480 | 67,704 |
| Total | 2,912,345 | 3,726,324 |

- (a) Amounts to be transferred refer to VC2, VC3 and roaming charges, invoiced to our customers and transferred to the long distance call operators.

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VIVO PARTICIPAÇÕES S.A.

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FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

14. TAXES, FEES AND CONTRIBUTIONS PAYABLE

| | Controlling Company | | Consolidated | |
|---|---------------------|---------------|----------------|------------------|
| | 03.31.09 | 12.31.08 | 03.31.09 | 12.31.08 |
| <i>Current taxes:</i> | | | | |
| ICMS | | | 625,001 | 658,306 |
| PIS and COFINS | | 20,472 | 100,933 | 144,154 |
| Income tax and social contribution (*) | 92 | 24,167 | 93,902 | 142,754 |
| FISTEL | | | 58,376 | 34,195 |
| FUST and FUNTTEL | | | 10,580 | 11,386 |
| Other taxes, fees and mandatory contributions | 1,389 | 1,389 | 16,475 | 16,926 |
| Total | 1,481 | 46,028 | 905,267 | 1,007,721 |
| <i>Legal liabilities (CVM 489/05):</i> | | | | |
| CIDE | | | 23,500 | 23,689 |
| PIS and COFINS | | | 21,167 | 20,836 |
| Other taxes, fees and mandatory contributions | | | 9,041 | 8,629 |
| Total | | | 53,708 | 53,154 |
| Total | 1,481 | 46,028 | 958,975 | 1,060,875 |
| Current | 1,481 | 46,028 | 670,102 | 785,603 |
| Noncurrent | | | 288,873 | 275,272 |

(*) The balance of the controlling company at December 31, 2008 refers to withholding income tax on the interest on shareholders' equity for which a provision had been recorded.

Current taxes:

At March 31, 2009, the amount of R\$230,057 (R\$217,763 at December 31, 2008) in the non-current liability, refers to ICMS - More Jobs for Paraná Program, resulting from an agreement with the Paraná State Government involving the deferral of ICMS tax payment. This amount is adjusted to the variation of the Annual Indexation Factor (FCA).

Legal liabilities - CVM Resolution 489/05

This includes the taxes that fall within the scope of CVM Resolution No. 489/05, dated October 3, 2005, which approved IBRACON NPC No. 22 standard.

For purposes of the quarterly financial statements, the amounts of escrow deposits for said taxes are offset against taxes, fees and mandatory contributions payable, as applicable.

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a) *PIS and COFINS*

Vivo was issued a delinquency notice by the tax authority (proceedings No. 19515.000.700/2003-97) for having offset the COFINS, in January and February 2000, against credits arising out of the 1/3 surplus of the COFINS itself paid in 1999, after deduction of the amount from the CSLL. The case is awaiting decision of the Special Appeal filed within the administrative sphere. On a conservative conduct, Management recorded the amount of R\$24,671, at March 31, 2009 and December 31, 2008, with corresponding escrow deposits in the same amount.

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VIVO PARTICIPAÇÕES S.A.

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(in thousands of Brazilian Reais, except as otherwise mentioned)

Law No. 9,718/98

At November 27, 1998, the calculation of PIS and COFINS was changed by Law No. 9,718, which: i) increased the COFINS rate from 2% to 3%; ii) authorized the deduction of up to 1/3 of the COFINS from the amount of the Social Contribution on Net Income CSLL; and also iii) indirectly increased the COFINS and PIS owed by Vivo, determining the inclusion of revenues in excess of the total sales in their tax calculation basis.

Due to the changes introduced by laws No. 10,637/02 and 10,833/03, Vivo started including the revenues in excess of the total sales in the tax calculation basis of PIS and COFINS.

At March 31, 2009, Vivo has provisions recorded for the amounts of the revenues in excess of the total sales, under discussion in court, in the amount of R\$10,557 (R\$10,399 at December 31, 2008), having deposited the amount of R\$2,496 in court (R\$2,496 at December 31, 2008).

Other

Additionally, the subsidiaries recorded amounts of R\$13,106 at March 31, 2008 (R\$12,933 at December 31, 2008) with respect to other discussions of PIS and COFINS.

b) *Contribution of Intervention on The Economics of Dominion CIDE*

This refers to an administrative and judicial matter, aiming at discharging the assessment of the CIDE on remittances of funds abroad, in connection with agreements for transfer of technology, license of trademarks and software, etc. On a conservative conduct, Vivo recorded the amount of R\$81,134, at December 31, 2009 (R\$80,693 at December 31, 2008), with corresponding escrow deposits of R\$57,634 (R\$57,004 at December 31, 2008) in court.

c) *Telecommunications Inspection Fee Fistel*

Telemig Celular filed a Writ of Mandamus challenging its liability for the payment of the inspection fees on mobile stations not owned by it, and started booking a provision and effecting a deposit in court for the amounts referring to the TFF Operation Inspection Fee and to the TFI Installation Inspection Fee. The case is awaiting decision by the TRF Court of the 1st Region.

Its legal counsels consider the chances of losses in these lawsuits to be possible. However, because this is a legal obligation under the terms of CVM Resolution No. 489/2005, the subsidiary has recorded a provision for this contingency. The provision recorded at March 31, 2009 was in the amount of R\$386,274 (R\$324,764 at December 31, 2008), with corresponding escrow deposits in the same amount.

d) *Withholding Income Tax (IRRF) on payments of Interest on shareholders equity Telemig Participações*

Telemig Participações filed Writs of Mandamus requesting the court to declare its right not to be assessed IRRF at source on its receipts of interest on shareholders equity of its subsidiary. Based on the opinion of its legal counsels, the referred lawsuits are classified as possible loss; however, once this refers to a legal obligation under the terms of CVM Resolution No. 489/2005, at March 31, 2009 a provision was recorded with corresponding escrow deposits totaling R\$20,314 (R\$19,828 at December 31, 2008).

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e) *Other taxes, fees and contributions*

At March 31, 2009, the subsidiaries recorded the amount of R\$9,041 (R\$21,562 at December 31, 2008), referring to values related to the discussions of: (i) ISS tax on personal property lease services, ancillary activities and supplementary services (R\$4,868); (ii) IRPJ (Corporate Income Tax) on derivative transactions (R\$2,107); (iii) INSS (Social Security) (R\$809), and (iv) ICMS tax (R\$1,257).

Following we present the changes in legal obligations in compliance with CVM Resolution 489/05:

| | Consolidated (-) | | |
|----------------------------|---------------------|-----------------|--------|
| | Legal liabilities | Escrow deposits | Total |
| Balances at 12.31.08 | 481,917 | (428,763) | 53,154 |
| Additions, net of reversal | 61,389 | (61,236) | 153 |
| Monetary restatement | 1,790 | (1,389) | 401 |
| Balances at 03.31.09 | 545,096 | (491,388) | 53,708 |

15. LOANS, FINANCING AND DEBENTURES

a) *Breakdown of debt*a.1) *Loans and Financing*

| Description | Currency | Interest | Maturity | Company | | Consolidated | |
|------------------------------------|----------|-----------------------------|--------------------------|----------|----------|--------------|-----------|
| | | | | 03.31.09 | 12.31.08 | 03.31.09 | 12.31.08 |
| Banco Europeu de Investimentos BEI | USD | 4.18% a.a a 4.47% a.a. | 06/19/2009 a 03/02/15 | | | 775,361 | 741,301 |
| Working Capital | R\$ | 106.7% do CDI | 5/12/2009 | | | 262,297 | 254,421 |
| Resolution 2770 | R\$ | IGP-M + 9.45% a.a. | 2/9/2010 04/01/09 a | | | 163,954 | 156,703 |
| Resolution 2770 | JPY | 2.00% a 5.78% a.a | 01/18/11 | | | 885,706 | 1,339,982 |
| Resolution 2770 | USD | 5.0% a 5.94% a.a | 07/23/09 a 07/23/10 | | | 156,563 | 155,708 |
| BNDES | URTJLP | TJLP +4.3% a.a. a 4.6% a.a. | 04/15/09 a 08/15/14 | | | 1,418,042 | 1,422,387 |
| BNDES | UMBND | 9.95% a.a | 04/15/09 a 07/15/11 | | | 8,506 | 9,491 |
| Banco do Nordeste do Brasil | BNB R\$ | 10% a.a | 04/29/09 a 10/30/16 | | | 353,306 | 361,590 |

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| | | | | | | | |
|------------------------|-----|----------------------|------------------------|-----------|-----------|-----------|-----------|
| Unsecured Senior Notes | USD | | | | | | 195,269 |
| Promissory Notes | R\$ | 106.5% a 115% do CDI | 05/09/09 a 07/24/09 | 1,126,503 | 1,091,374 | 1,126,503 | 1,091,374 |
| Funding 3G Licenses | R\$ | IST + 1% a.m. | 04/29/11 a 04/29/16 | | | 1,236,911 | 1,196,137 |
| Commissions BBVA | | 0.4256% a.a. | 05/28/09 a 02/28/15 | | | 241 | 272 |
| Others | | | | | | 96 | 96 |
| Total | | | | 1,126,503 | 1,091,374 | 6,387,486 | 6,924,731 |
| Current | | | | 1,126,503 | 1,091,374 | 2,726,393 | 3,098,346 |
| Noncurrent | | | | | | 3,661,093 | 3,826,385 |

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VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

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a.2) *Debentures*

| Description | Currency | Interest | Maturity | Company | | Consolidated | |
|-------------|----------|---------------------|----------|-----------|-----------|--------------|-----------|
| | | | | 03.31.09 | 12.31.08 | 03.31.09 | 12.31.08 |
| Debentures | R\$ | 103.3% A 104.2% CDI | 05/04/15 | 1,052,318 | 1,021,502 | 1,052,318 | 1,021,502 |
| Debentures | R\$ | IPCA + 0.5% a.a | 07/05/21 | | | 57,691 | 56,923 |
| Debentures | R\$ | 113.55% CDI | 01/11/10 | 215,558 | | 215,558 | |
| Total | | | | 1,267,876 | 1,021,502 | 1,325,567 | 1,078,425 |
| Current | | | | 267,876 | 21,502 | 267,876 | 21,502 |
| Noncurrent | | | | 1,000,000 | 1,000,000 | 1,057,691 | 1,056,923 |

b) *Repayment schedule*

At March 31, 2009, the maturities of the long-term portion of loans and financing are as follows:

| Year | Controlling Company | Consolidated |
|------------|---------------------|--------------|
| 2011 | | 386,718 |
| 2012 | | 608,511 |
| 2013 | | 566,748 |
| 2014 | | 564,856 |
| After 2014 | 1,000,000 | 2,591,951 |
| Total | 1,000,000 | 4,718,784 |

c) *Restrictive covenants*

Vivo has loan and financing agreements with Banco Nacional de Desenvolvimento Econômico e Social BNDES (National Bank for Social and Economic Development), which balance as of March 31, 2009, was R\$1,426,548 (R\$1,431,878 at December 31, 2008). In accordance with the contracts, there are several economic and financial indexes that must be calculated on a six-month period and yearly basis. At the same date, all economic and financial indexes established in the two contracts with the BNDES, regarding the Company's and the subsidiary's (Vivo) instruments, were met.

Vivo has loan agreements with European Investment Bank, which balance as of March 31, 2009 was R\$775,361 (R\$741,301 at December 31, 2008). At the same date, all economic and financial indexes established in the contract were met.

The agreement entered into by Telemig Celular with the State Department of Economic Development regarding debentures sets forth covenants on petitions for judicial and extrajudicial recovery, liquidation, dissolution, insolvency, voluntary bankruptcy or decree of bankruptcy, payment default, non-compliance with non-fiduciary obligations and compliance with a certain limit substantially based on balance sheet financial indexes and EBITDA (Earnings before interest, taxes, depreciation and amortization), among others. At December 31, 2009, all covenants were fulfilled by Telemig Celular.

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VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

d) *Guarantees*

At March 31, 2009, guarantees were granted for the Company's loans and financing, in local currency, in the principal amount of R\$2,555,215, being R\$353,306 from Banco do Nordeste do Brasil - BNB, R\$1,418,042 from BNDES (URTJLP), and R\$8,506 from BNDES (UMBNDDES) and R\$775,361 from BEI according to the table below:

| Banks | Guarantees |
|-------------------------------------|---|
| BNDES | Contract (Vivo) R\$1,374,836: Guarantee in receivables referring to 15% of the outstanding balance or four (4) times the amount of the highest installment, whichever is higher. Contract (Vivo) R\$51,712: pledging of 15% of the receivables for service revenue. The Company is the guarantor/intervening party. |
| Banco Europeu de Investimento - BEI | Commercial risk secured by Banco BBVA Portugal. Bank security granted by Banco Bradesco S.A. in the amount equivalent to 100% of the outstanding balance of the financing. |
| Banco do Nordeste do Brasil S.A. | Constitution of a liquidity fund represented by financial investments in the amount equivalent to three (3) amortization installments, referenced to the post-grace period average installment. The Company is the guarantor/intervening party. |

e) *Promissory Notes*

On June 27, 2008, the Board of Directors of the Company approved the issue and offer of 50 unsecured promissory notes in the value of R\$10 million each, totaling R\$500 million. On July 25, 2008, the offer was registered with the CVM and issued on July 29, 2008, with maturity date on July 24, 2009, bearing interests of 106.5% of the CDI rate, as daily disclosed by the Custody and Settlement Agency - CETIP. The proceeds funded from this offer were used for settlement of the principal amount of the debt represented by the first issue of debentures of the Company.

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On September 29, 2008, the Board of Directors of the Company approved the issue and offer of 22 unsecured promissory notes in the value of R\$25 million each, totaling R\$550 million. On October 29, 2008, the offer was registered with the CVM and issued on November 10, 2008, with maturity date on May 09, 2009, bearing interests of 115.0% of the CDI rate, as daily disclosed by the Custody and Settlement Agency CETIP. The proceeds funded from this offer were used in an increase of the capital stock of TCO IP for settlement of commercial promissory notes due on November 10, 2008, in the amount of R\$530 million.

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VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

f) *Debentures*

f.1) *Fund-raising by the Company*

Within the scope of the R\$2,000,000 First Securities Distribution Program announced on August 20, 2004, on May 1, 2005 the Company issued debentures in the amount of R\$1,000,000 for a term of 10 years counted from the issue date on May 01, 2005.

The Offering consisted of the issue in two series, being R\$200,000 in the first series, and R\$800,000 in the second series, with final maturity on May 1, 2015. The debentures accrue interest, payable on a semiannual basis, corresponding to 103.3% (first series) and 104.2% (second series) of the accumulated daily average rates for the DI (one-day Interbank, extra group deposits) (DI rates), as calculated and published by the CETIP.

Remuneration of Debentures is due to be renegotiated on May 1, 2009 (first series) and May 1, 2010 (second series).

In December 2008, the Board of Directors approved the 2nd public issue, by the Company, of simple, unsecured, nonconvertible debentures, of a sole series, discharged from registration with the CVM, under the terms of art. 5, item II, of CVM Instruction No. 400, because it referred to one sole and indivisible lot of securities. The unit nominal value of the debenture was R\$210 million as of the issuance date (Unit Nominal Value).

At March 30, 2009, the Board of Directors of the Company approved the first rollover of the debentures of the 1st series of the 2nd issue of the Company, whose characteristics were approved at the meetings of the Board of Directors of the Company held on April 25, 2005 and May 13, 2005. The new effective term for remuneration is 24 months, counted from May 01, 2009 until May 01, 2011, during which time the remuneration conditions defined herein shall remain unchanged.

During the second term of remuneration, the debentures of the 1st Series of the 2nd Issue of the Company will be entitled to a remuneration of one hundred and twenty per cent (120%) of the average rate of the one-day Interbank extra-group Deposits denominated DI over extra-group rate, calculated according to the formula contained in clause 4.9 of the 2nd issue Indenture . The payments of remuneration of the debentures shall be made on November 01, 2009, May 01, 2010, November 01, 2010 and May 01, 2011.

f.2) *Fund-raising by Telemig Celular*

In compliance with the Contract for Provision of SMP Services, in conformity with the Public Selection No. 001/07, the State of Minas Gerais, acting through the State Department for Economic Development, has undertaken to subscribe debentures issued by Telemig Celular, within the scope of the Minas Comunica Program, using proceeds from the Fund for Universalization of Access to Telecommunications Services (*Fundo de Universalização do Acesso a Serviços de Telecomunicações*) FUNDOMIC. Under the terms of this Program, Telemig Celular would make the SMP service available to 134 locations in the areas registered as 34, 35 and 38.

Also according to the program, 5,550 simple, unsecured, nonconvertible, registered, book-entry type debentures would be issued, without stock certificates being issued, in up to five series.

VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

In consideration for the certification by the State Department of Economic Development of the service to be provided to 15 locations, 621 debentures were issued in the 1st Series of the 1st issue, amounting to R\$ 6,210 in December 2007. In March 2008, for the service at 42 locations, 1,739 debentures were issued in the 2nd Series of the 1st issue, valued at R\$ 17,390. At December 31, 2008, for the service at 77 locations, 3,190 debentures were issued in the 3rd Series of the 1st issue, valued at R\$31,900, thus completing the program for providing service to 134 locations inside the state of Minas Gerais. At March 31, 2009 the updated amounts of the 1st, 2nd and 3rd series of the debentures were R\$6,734, R\$18,522 and R\$32,435, totaling R\$57,691 (R\$6,645, R\$18,278 and R\$32,000, totaling R\$56,923 at December 31, 2008), respectively.

16. PROVISION FOR CONTINGENCIES

The Company and its subsidiaries are parties to lawsuits that generate administrative and judicial contingencies related to labor, tax and civil claims, relevant accounting provisions have been recorded with respect to such lawsuits which the chance of loss was deemed as probable.

The breakdown of the balances of such provisions is as follows:

| | Provisions | Consolidated | | 12.31.08 |
|------------|------------|------------------------------------|---------|----------|
| | | 03.31.09 (-) Escrow deposits | Net | |
| Civil | 176,094 | (43,719) | 132,375 | 128,488 |
| Labor | 78,950 | (36,079) | 42,871 | 38,343 |
| Tax | 29,918 | (3,547) | 26,371 | 27,252 |
| Total | 284,962 | (83,345) | 201,617 | 194,083 |
| Current | | | 95,670 | 91,136 |
| Noncurrent | | | 105,947 | 102,947 |

The changes to the provisions for net contingencies are as follows:

| | 2009 | 2008 |
|--|----------|-----------|
| Balances at the beginning of the year | 194,083 | 199,404 |
| Booking of provisions, net of reversal (note 23) | 35,682 | 33,175 |
| Monetary variation | (782) | 451 |
| Decrease (increase) of escrow deposits | (2,910) | 6,502 |
| Payments | (24,456) | (21,583) |
| Balances at March 31 | 201,617 | 217,949 |
| Booking of provisions, net of reversals in 2Q, 3Q and 4Q08 | | 105,524 |
| Entry of Telemig Participações at 03.31.08 | | 10,957 |
| Monetary variation in 2Q, 3Q and 4Q08 | | 7,145 |
| Increase of escrow deposits in 2Q, 3Q and 4Q08 | | (22,351) |
| Payments in 2Q, 3Q and 4Q08 | | (125,141) |
| Balance at year end | | 194,083 |

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VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

16.1. *Civil Claims*

These aforementioned provisions to several civil claims for which the respective provisions were recorded, as shown above, such provisions being deemed sufficient to meet probable losses on these cases.

a) *Consumers*

The Company and its subsidiaries are parties to several lawsuits brought by individual consumers or by civil associations representing rights of consumers claiming non-performance of services and/or products sold. Individually, none of these lawsuits are deemed to be material.

At March 31, 2009, based on the opinion of its lawyers, the amount of R\$151,534 (R\$151,692 at December 31, 2008) was recorded, which is considered sufficient to meet potential losses on these proceedings.

At the same date, the amount of these lawsuits in several different spheres deemed as possible was R\$471,195 (R\$459,594 at December 31, 2008).

b) *ANATEL*

The subsidiaries are parties to several legal and administrative proceedings brought by ANATEL referring to noncompliance with Regulations concerning the Personal Mobile Service. At March 31, 2009, the amount of R\$19,650 (R\$15,369 at December 31, 2008), was recorded, which is considered sufficient to meet probable losses on these cases.

At the same date, the amount involved in these lawsuits classified as possible loss was R\$13,387 (R\$12,916 at December 31, 2008).

c) *Other*

These refer to lawsuits of other nature, all related to the regular course of business. At March 31, 2009, based on the opinion of its independent lawyers, the amount of R\$4,910 (R\$3,614 at December 31, 2008) was recorded, which is considered sufficient to meet probable losses on these cases.

At the same date, the amount involved in several lawsuits classified as possible loss was R\$28,724 (R\$21,976 at December 31, 2008).

16.2. *Labor claims*

These refer to several labor claims for which the respective provisions were recorded as shown above, which are considered sufficient to meet probable losses on these cases.

At the same date, the amount involved in these lawsuits classified as possible loss was R\$180,991 (R\$193,462 at December 31, 2008).

16.3. *Tax Proceedings*

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At March 31, 2009, the amount involved in proceedings of this nature classified as possible loss was R\$3,107,344 (R\$2,746,572 at December 31, 2008), which were primarily related to matters of state and federal taxes and contributions as: ICMS, PIS/COFINS, ISS, IRPJ, IRRF, CSLL, IOF, CPMF, FUST, FUNTTEL, FISTEL and Social Contributions. The proceedings filed in this quarter pertain to the same subject matter of those already in course at December 31, 2008.

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VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

17. OTHER LIABILITIES

| | Controlling Company | | Consolidated | |
|--|---------------------|----------|--------------|-----------|
| | 03.31.09 | 12.31.08 | 03.31.09 | 12.31.08 |
| Prepaid services to be rendered deferred revenue | | | 399,855 | 451,772 |
| Reverse stock split (a) | 102,941 | 103,121 | 243,731 | 244,090 |
| Provision for disposal of assets (b) | | | 189,121 | 183,387 |
| Provision for customer loyalty program | | | 113,674 | 117,590 |
| Provision for pension fund | | | 12,983 | 12,372 |
| Liabilities to related parties | 293 | 372 | 5,232 | 3,906 |
| Other | 471 | 471 | 8,498 | 9,260 |
| Total | 103,705 | 103,964 | 973,094 | 1,022,377 |
| Current | 103,385 | 103,644 | 764,595 | 820,233 |
| Noncurrent | 320 | 320 | 208,499 | 202,144 |

(a) This refers to credit made available to the holders of remaining shares as a result of the reverse stock split of the capital stock of the Company and of its subsidiaries.

(b) This refers to the costs to be incurred in connection with the obligation of returning to the owners the sites (locations for installation of Radio Base Stations RBS of the subsidiaries) in the same conditions as they were found at the time of the execution of the initial lease contracts thereof.

18. SHAREHOLDERS EQUITY

a) *Capital Stock*

At March 31, 2009, the Company's subscribed and paid-up capital was R\$ 6,900,422 (R\$6,710,526 at December 31, 2008), represented by shares with no par value, distributed as follows:

At a Meeting of the Board of Directors held on February 12, 2009, an approval of the capital stock in the amount of R\$189,896 was approved, which corresponds to the tax benefit of the incorporated goodwill for fiscal year 2008 (note 6.2).

| | Number of shares | |
|------------------------|------------------|-------------|
| | 03.31.09 | 12.31.08 |
| Total capital stock in | | |
| Common shares | 136,275,334 | 134,150,345 |
| Preferred shares | 238,063,700 | 234,369,011 |

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| | | |
|--------------------|-------------|-------------|
| Total | 374,339,034 | 368,519,356 |
| Treasury shares | | |
| Preferred shares | (1,123,725) | (1,123,725) |
| Total | (1,123,725) | (1,123,725) |
| Outstanding shares | | |
| Common shares | 136,275,334 | 134,150,345 |
| Preferred shares | 236,939,975 | 233,245,286 |
| Total | 373,215,309 | 367,395,631 |

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VIVO PARTICIPAÇÕES S.A.

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b) *Dividends and Interest on Shareholders' Equity*

The preferred shares do not have voting rights, except in the cases stipulated in articles 9 and 10 of the Bylaws, but are ensured priority in the reimbursement of the capital stock, without premium, the right to participate in the dividend to be distributed, corresponding to a minimum of 25% of net income for the fiscal year, calculated in accordance with article 202 of Brazilian Corporate Law, and priority in receiving minimum non-cumulative dividends equivalent to the higher of the following amounts:

b.1) 6% (six per cent) per year on the amount resulting from the division of the subscribed capital by the total number of the Company's shares; or

b.2) 3% (three per cent) per year on the amount resulting from the division of the shareholders' equity by the total number of the Company's shares, and also the right to participate in distributed profit under the same conditions applicable to common shares, after the common shares have been ensured of a dividend equal to the minimum priority dividend established for the preferred shares.

As from the General Shareholders' Meeting held on March 27, 2004, the preferred shares are entitled to full voting rights, in accordance with article 111, paragraph 1, of Law No. 6,404/76, since minimum dividends were not paid on preferred shares for three consecutive years.

At the General Shareholders' Meeting held on March 15, 2007, the payment of dividends on the income for year 2006 to the holders of preferred shares was approved. However, the approved amount was lower than the minimum statutory value required for removing the right to vote of the preferred shares.

b.3) Dividends and Interest on Shareholders' Equity not claimed by shareholders are forfeited in 3 (three) years, as from the date of the beginning of payment, as set forth in article 287, subparagraph II, item a), of Law No. 6,404/76.

At a General and Special Shareholders' Meeting held on February 12, 2009, the payment of dividends and interest on the own capital in the amount of R\$ 426,798 was decided, being as follows: Interest on Shareholders' Equity in the amount of R\$161,113 (R\$136,946 net of the withholding income tax) and dividends in the amount of R\$265,685 paid in March 2009.

c) *Capital Reserves*

c.1) *Goodwill reserve*

This reserve represents the excess of value at the time of the issuance or capitalization in relation to the basic value of the share at the issuance date.

c.2) *Special Goodwill Reserve*

This reserve was recorded as a result of the Corporate Reorganization processes described in note 6.2, as a counter-entry to the net assets transferred, and represents the future tax benefit to be earned by amortization of the goodwill transferred. The portion of special goodwill reserve corresponding to the benefit may be, at the end of each fiscal year, capitalized to the benefit of the controlling shareholder upon the issue of new shares. The increase of capital is subject to the preemptive rights of the non-controlling shareholders, proportionally to their respective interests, by kind and class, at the time of the issue, and the amounts paid upon the exercise of this right shall be directly delivered to the controlling shareholder, in accordance with the provisions in CVM Instruction No. 319/99.

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VIVO PARTICIPAÇÕES S.A.

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The Meeting of the Board of Directors held on February 12, 2009 approved a capital increase of R\$189,896, representing the tax benefit of the incorporated goodwill for fiscal year 2008, with the issue of 5,819,678 new shares, being 2,124,989 common shares and 3,694,689 preferred shares, ensuring the preemptive right provided for in Article 171 of Law No. 6,404/76, and the proceeds arising from the exercise of the preemptive right were credited to Portelcom Participações S.A.

c.3) *Tax Incentives*

These represent the amounts invested in tax incentives in previous fiscal years.

d) *Profit Reserves*

d.1) *Legal Reserve*

The legal reserve is recorded by allocation of 5% of the net profit for the year, up to the limit of 20% of the paid-up capital stock or 30% of the capital stock added by the capital reserves. Given the establishment of such limit, allocations to this reserve are no longer mandatory, as set forth in Art. 193 of Law No. 6,404/76.

d.2) *Reserve for Expansion*

The reserve for expansion was recorded with the purpose of holding funds for financing additional investments of fixed and current capital by allocation of up to 100% of the remaining net profit, after the legal determinations and the balance of the retained earnings account for the fiscal year ended on December 31, 2008. This reserve is supported by a capital budget approved at the shareholders' meetings.

d.3) *Reserve for Contingencies and Treasury Shares*

The amounts recorded result from the spin-off of Companhia Riograndense de Telecomunicações - CRT and are designed to guarantee an eventual court decision rendered with respect to judicial actions concerning capitalizations for fiscal years 1996 and 1997 occurred in that company.

e) *Retained Earnings*

At a General and Special Shareholders' Meeting, held on March 19, 2009, the allocation of the net profit for fiscal year 2008 was approved, in the amount of R\$399,901, of which R\$19,995 were applied to the Legal Reserve and R\$379,906 as dividends and interest on the capital, categorized as follows: R\$161,113 as interest on the own capital, gross (R\$136,946, net of withholding income tax) and R\$218,793 as dividends. Additionally, R\$46,892 were allocated as supplementary dividends.

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Pursuant to the change introduced by Law No. 11,638/07, the net profit for the year must be entirely allocated in accordance with the provisions in articles 193 to 197 of Law No. 6,404/76.

19. NET OPERATING REVENUE

| | Consolidated | |
|---|------------------|------------------|
| | 03.31.09 | 03.31.08 |
| Franchise and use | 2,583,114 | 2,098,057 |
| Interconnection | 1,584,124 | 1,366,606 |
| Data and value-added services (SVA) | 638,193 | 455,387 |
| Other services | 50,183 | 32,844 |
| Gross revenue from telecommunication services | 4,855,614 | 3,952,894 |
| ICMS | (833,630) | (669,853) |
| PIS and COFINS | (177,004) | (143,098) |
| Discounts granted | (172,929) | (115,694) |
| ISS (service tax) | (2,321) | (1,696) |
| Net operating revenue from telecommunication services | 3,669,730 | 3,022,553 |
| Gross revenue from sales of handsets and accessories | 738,352 | 654,432 |
| Discounts granted | (231,546) | (221,838) |
| ICMS | (76,329) | (64,237) |
| PIS and COFINS | (43,501) | (38,086) |
| Returns of goods sold | (36,587) | (20,846) |
| Net operating revenue from sales of handsets and accessories | 350,389 | 309,425 |
| Total net operating revenue | 4,020,119 | 3,331,978 |

No customer has contributed more than 10% of the gross operating revenue for the three-month periods ended on March 31, 2009 and 2008.

20. COST OF GOODS SOLD AND SERVICES RENDERED

| | Consolidated | |
|--------------------------------------|--------------|-----------|
| | 03.31.09 | 03.31.08 |
| Interconnection | (533,561) | (449,739) |
| Depreciation and amortization | (556,565) | (380,468) |
| Taxes, fees and contributions | (212,106) | (145,030) |
| Outsourced services | (133,383) | (125,694) |
| Rent, insurance and condominium fees | (82,138) | (51,896) |
| Connection means | (89,846) | (50,386) |
| Personnel | (36,834) | (24,073) |

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| | | |
|---------------------------|-------------|-------------|
| Other supplies | (19,924) | (17,625) |
| Cost of services rendered | (1,664,357) | (1,244,911) |
| Cost of goods sold | (613,131) | (502,244) |
| Total | (2,277,488) | (1,747,155) |

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VIVO PARTICIPAÇÕES S.A.

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(in thousands of Brazilian Reais, except as otherwise mentioned)

21. SELLING EXPENSES

| | Consolidated | |
|--|---------------------|------------------|
| | 03.31.09 | 03.31.08 |
| Outsourced services | (444,860) | (389,577) |
| Depreciation and amortization | (130,438) | (127,835) |
| Customer loyalty program and donations | (100,113) | (99,933) |
| Advertising | (95,186) | (75,685) |
| Personnel | (94,330) | (70,430) |
| Allowance for doubtful accounts | (77,573) | (81,714) |
| Rent, insurance and condominium expenses | (17,151) | (14,589) |
| Other supplies | (29,354) | (18,877) |
| Total | (989,005) | (878,640) |

22. GENERAL AND ADMINISTRATIVE EXPENSES

| | Consolidated | |
|--|---------------------|------------------|
| | 03.31.09 | 03.31.08 |
| Outsourced services | (125,448) | (130,549) |
| Depreciation and amortization | (107,506) | (66,857) |
| Personnel | (79,541) | (65,255) |
| Rent, insurance and condominium expenses | (21,958) | (21,375) |
| Other supplies | (14,513) | (4,407) |
| Total | (348,966) | (288,443) |

23. OTHER OPERATING REVENUE (EXPENSES), NET

| | Controlling Company | | Consolidated | |
|--------------------------------|----------------------------|-----------------|---------------------|-----------------|
| | 03.31.09 | 03.31.08 | 03.31.09 | 03.31.08 |
| Fines | | | 25,817 | 16,572 |
| Recovered expenses | 291 | 5,539 | 25,382 | 33,163 |
| Shared infrastructure and EILD | | | 23,800 | 14,717 |
| Reversal of provisions | 159 | | 3,223 | 4,525 |
| Property lease | | | 3,892 | |
| Amortization of goodwill | | (95,187) | | (95,187) |
| Provision for contingencies | (18) | (298) | (38,905) | (37,700) |
| FUST | | | (20,389) | (16,663) |
| PIS and COFINS | (3) | (1) | (15,508) | (10,737) |
| ICMS on other expenses | | | (12,598) | (11,998) |

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| | | | | |
|--|-------|----------|----------|-----------|
| Amortization of deferred assets | | | (10,344) | (11,693) |
| FUNTTEL | | | (10,216) | (8,301) |
| Other taxes, fees and mandatory contributions | (1) | (1) | (3,130) | (8,234) |
| Disposal and provisions for losses on fixed assets | | | (154) | 407 |
| Investment gains | 1,935 | | 1,935 | |
| Realization of the provision for losses on investments | | 17,267 | | 17,267 |
| Other operating revenue (expenses) | 31 | 1,445 | 21,571 | (7,119) |
| Total | 2,394 | (71,236) | (5,624) | (120,981) |

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

24. FINANCIAL INCOME (EXPENSES) AND MONETARY AND EXCHANGE VARIATIONS

| | Controlling Company | | Consolidated | |
|-----------------------------------|---------------------|----------|--------------|-----------|
| | 03.31.09 | 03.31.08 | 03.31.09 | 03.31.08 |
| Financial income | 16,380 | 8,451 | 87,894 | 75,305 |
| Financial expenses: | | | | |
| Loan, financing and debentures | (71,503) | (42,073) | (161,907) | (39,088) |
| Derivative transactions | (132) | (1,060) | (30,966) | (46,277) |
| Other financial transactions | (1,293) | (410) | (20,955) | (23,492) |
| Total | (72,928) | (43,543) | (213,828) | (108,857) |
| Monetary and exchange variations: | | | | |
| In assets | | | | |
| Derivative transactions | | | (79,677) | 59,942 |
| In liabilities | | | | |
| Derivative transactions | (3,626) | (947) | 5,244 | 40,979 |
| Loans and financing | | 932 | 57,915 | (118,311) |
| Suppliers and other transactions | | | (6,691) | (6,267) |
| Total | (3,626) | (15) | (23,209) | (23,657) |

25. INCOME TAX AND SOCIAL CONTRIBUTION

The Company and its subsidiaries monthly record provisions for income tax and social contribution, on an accrual basis, paying the taxes based on the monthly estimate. Deferred taxes are recognized on temporary differences, as mentioned in Note 6. The breakdown of expenses with income and social contribution taxes is shown below:

| | Consolidated | |
|--|--------------|-----------|
| | 03.31.09 | 03.31.08 |
| Income tax and social contribution on amortized goodwill | (108,751) | (71,934) |
| Income tax and social contribution expenses | (61,666) | (56,786) |
| Deferred income and social contribution taxes | 56,639 | (13,271) |
| Total | (113,778) | (141,991) |

VIVO PARTICIPAÇÕES S.A.**NOTES TO THE QUARTERLY FINANCIAL STATEMENTS****FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009****(in thousands of Brazilian Reais, except as otherwise mentioned)**

Below is a reconciliation of the expense with income taxes disclosed, by eliminating the effects of the goodwill tax benefit, to the amounts calculated by applying combined statutory rates at 34%:

| | Controlling Company | | Consolidated | |
|--|----------------------------|-----------------|---------------------|-----------------|
| | 03.31.09 | 03.31.08 | 03.31.09 | 03.31.08 |
| Income before taxes | 122,277 | 98,969 | 249,893 | 239,550 |
| Tax credit (debt) at combined statutory rate (34%) | (41,574) | (33,650) | (84,963) | (81,448) |
| Permanent additions: | | | | |
| Nondeductible expenses goodwill amortization | | (26,493) | | (26,493) |
| Other nondeductible expenses | (6) | | (6,833) | (22,514) |
| Other additions | | | (2,371) | |
| Permanent exclusions: | | | | |
| Equity accounting | 63,027 | 71,643 | | |
| Other deductible expenses | 2,955 | | 2,955 | 7 |
| Other exclusions | 657 | 2,955 | 1,261 | 2,955 |
| Tax losses and unrecognized temporary differences | (23,827) | (14,498) | (23,827) | (14,498) |
| Tax credit (debt) | 1,232 | (43) | (113,778) | (141,991) |

26. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONSOLIDATED)

The Company and its subsidiaries are engaged in transactions involving financial instruments, the risks of which are actively managed by means of a set of initiatives, procedures and comprehensive operating policies.

The controlling company and consolidated financial instruments are presented in compliance with CVM Resolution No. 566, dated December 17, 2008, which approved Technical Statement CPC 14, and with CVM Instruction 475, dated December 17, 2008.

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a) *General considerations*

At March 31, 2009 and December 31, 2008, the main financial instruments, and their respective values by category, are as follows:

| | Company | | | | | |
|---|------------------------------------|----------------|-----------|------------------------------------|----------------|-----------|
| | 03.31.09 | | 12.31.08 | | | |
| | Fair value through profit and loss | Amortized cost | Total | Fair value through profit and loss | Amortized cost | Total |
| Assets | | | | | | |
| Cash and cash equivalents | 395,759 | | 395,759 | 10,705 | | 10,705 |
| Interest on shareholders equity and dividends | | 227,493 | 227,493 | | 397,412 | 397,412 |
| Liabilities | | | | | | |
| Payroll and related accruals | | 320 | 320 | | 555 | 555 |
| Trade accounts payable | | 4,492 | 4,492 | | 4,463 | 4,463 |
| Taxes payable | | 1,481 | 1,481 | | 46,028 | 46,028 |
| Loans and financing | | 1,126,503 | 1,126,503 | | 1,091,374 | 1,091,374 |
| Debentures | | 1,267,876 | 1,267,876 | | 1,021,502 | 1,021,502 |
| Interest on shareholders equity and dividends | | 407,457 | 407,457 | | 407,473 | 407,473 |
| Derivative contracts | 4,971 | | 4,971 | 1,213 | | 1,213 |
| Other liabilities | | 103,705 | 103,705 | | 103,964 | 103,964 |
| Consolidated | | | | | | |
| | Fair value through results | Amortized cost | Total | Fair value through results | Amortized cost | Total |
| Assets | | | | | | |
| Cash and cash equivalents | 1,737,316 | | 1,737,316 | 2,182,913 | | 2,182,913 |
| short-term investments pledged as collateral | 82,682 | | 82,682 | 88,822 | | 88,822 |
| Trade accounts receivable, net | | 2,381,623 | 2,381,623 | | 2,578,498 | 2,578,498 |
| Derivative contracts | 431,181 | | 431,181 | 632,751 | | 632,751 |
| Liabilities | | | | | | |
| Payroll and related accruals | | 131,895 | 131,895 | | 185,471 | 185,471 |
| Trade accounts payable | | 2,912,345 | 2,912,345 | | 3,726,324 | 3,726,324 |
| Taxes payable | | 958,975 | 958,975 | | 1,060,875 | 1,060,875 |
| Loans and financing | 1,144,141 | 5,243,345 | 6,387,486 | 2,393,693 | 4,531,038 | 6,924,731 |
| Debentures | | 1,325,567 | 1,325,567 | | 1,078,425 | 1,078,425 |
| Interest on shareholders equity and dividends | | 423,166 | 423,166 | | 545,864 | 545,864 |
| Derivative contracts | 117,621 | | 117,621 | 203,323 | | 203,323 |
| Other liabilities | | 973,094 | 973,094 | | 1,022,377 | 1,022,377 |

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

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b) *Considerations on risk factors which may affect the Company's and its subsidiaries' business*

The main market risks which the Company and its subsidiaries are exposed to in the conduct of their activities are:

Credit Risk

The credit risk arises out of the potential difficulty to collect the amounts payable for telecommunication services rendered to its customers and for sales of handsets to the distributors network, as well as the risk related to financial statements and accounts receivable for swap transactions.

The credit risk involved in the rendering of telecommunications services is minimized by a strict control of the customer base and active management of customers' defaults, by means of clear policies regarding the sale of post-paid handsets. The customer base of the subsidiaries has, predominantly, a prepaid system, which requires the upfront payment and consequently entails no credit risk.

The credit risk in the sale of handsets and pre-activated prepaid cards is managed under a conservative credit policy, by means of modern management methods, including the application of credit scoring techniques, analysis of financial statements and information, and consultation to commercial data bases.

The Company and its subsidiary (Vivo) are also subject to credit risk originating from their financial investments and amounts receivable from swap transactions. The Company and its subsidiaries act in such a manner as to diversify this exposure among various world-class financial institutions.

Interest Rate and Inflation Risk

The interest rate risk arises out of the portion of the debt and of the liability positions in derivatives contracted at floating rates, and involves the risk of the financial expenses increasing due to an unfavorable change in the interest rates.

The Company and its subsidiary (Vivo) are exposed to the risk of increased interest rates, due to the liabilities portion of the derivative transactions (Exchange Hedge) and to CDI-referenced debts. The balance of financial investments, indexed to the CDI, partially neutralizes this effect.

The inflation rate risk arises out of the debentures issued by Telemig Celular, indexed to the IPCA, which may negatively affect the financial expenses by an unfavorable change of this index.

Exchange Rate Risk

This risk arises out of the possibility of losses on account of exchange rate fluctuations, which may increase the outstanding balances of foreign currency loans.

The Company and its subsidiary (Vivo) have contracted financial derivative transactions so as to protect themselves against exchange rate fluctuations arising out of foreign currency loans. The instruments used were swap contracts.

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

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The table below summarizes the net exposure of the Company and its subsidiary (Vivo) to the exchange rate factor at March 31, 2009 and December 31, 2008:

| | March 31, 2009 | |
|--------------------------------------|-----------------|-----------------|
| | US\$ | ¥ |
| Loans and financing | (402,628) | (37,938,249) |
| Loans and financing UMBNDES (a) | (3,674) | |
| Derivative instruments | 405,499 | 37,938,249 |
| Other liabilities | (33,104) | (20,044) |
| Total (insufficient coverage) | (33,907) | (20,044) |

| | December 31, 2008 | |
|--------------------------------------|-------------------|-----------------|
| | US\$ | ¥ |
| Loans and financing | (467,501) | (51,937,288) |
| Loans and financing UMBNDES (a) | (4,061) | |
| Derivative instruments | 467,308 | 51,937,288 |
| Other liabilities | (33,104) | (20,044) |
| Total (insufficient coverage) | (37,358) | (20,044) |

(a) UMBNDES is a monetary unit prepared by the BNDES, composed of a basket of foreign currencies, the main currency being the US Dollar, and for this reason the Company and its subsidiary (Vivo) consider in their analysis of the risk coverage against the exchange rate fluctuations.

c.) *Transactions with Derivatives*

The Company and its subsidiary (Vivo) entered into swap contracts in foreign currency at several exchange rates, in a notional amount at March 31, 2009 of US\$ 435,204, and JPY 37,316,640 (US\$ 515,606, JPY 51,594,615 at December 31, 2008). At March 31, 2009, the Company had interest rate swap contracts in a notional amount of R\$225,000 (R\$225,000 at December 31, 2008) for interest rates in local currency (CDI) and the notional amount of R\$110,000 of swaps indexed to the IGPM (R\$110,000, at December 31, 2008).

As required by Law No. 11,638/07, the Company and its subsidiaries started applying CPC 14 since the transition date on December 31, 2006. CPC 14 must be applied to all derivative instruments, and requires that such instruments are stated in the balance sheet at their fair value. Changes to the fair value of the derivatives are recognized in the income statement, except for in the case of compliance with specific accounting criteria such as hedge.

The derivative financial instruments intended for hedge and the respective items subject matter of hedge are adjusted monthly to the fair value, with due regard to the following: for those financial instruments classified as fair value hedge and evaluated as effective, the valuation or

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devaluation of the fair value of the item which is the hedge instrument and of the item subject matter of hedge must be recorded as a counter-entry to a proper revenue or expense account, in the income of the year.

The Company and its subsidiaries started designating certain swap contracts as fair value hedges of a portion of the foreign currency debts (US Dollar and Japanese Yen), local interest rate (CDI) and IGPM.

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NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

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The Company and Vivo calculate the effectiveness of these hedges at the beginning and continuously (at least on a quarterly basis) and the hedges contracted on March 31, 2009 showed to be effective in relation to the debts subject of such coverage. As long as these derivative contracts are identified as hedge accounting according to CPC 14, the covered debt is also adjusted to the fair value in conformity with the fair value hedge rules.

The CVM, by Resolution No. 550, issued on October 17, 2008, and by Instruction No. 475, issued on December 17, 2008, provided for that publicly-held companies are required to disclose, in a specific explanatory note, qualitative and quantitative information about all their derivative financial instruments, either recognized or not as assets or liabilities in their balance sheet.

Risk Management Policy

All contracting of derivative financial instruments for the Company and its subsidiary (Vivo) is intended for protection against foreign exchange risk and variations in foreign and local interest rates arising out of financial debts, pursuant to a corporate policy of risk management. Accordingly, eventual variations in the risk factors generate an inverse effect on the subject matter they are intended to protect. Therefore, there are no derivative financial instruments for speculation purposes and 99.9% of the financial exchange liabilities are hedged.

The Company and its subsidiary (Vivo) keep internal controls in relation to their derivative instruments which, in the opinion of the Management are adequate for controlling risks associated to each strategy of market action. The results obtained by the Company and its subsidiary (Vivo) in relation to their derivative financial instruments show that the Management has properly managed risks.

Fair values of the derivative financial instruments

The valuation method used for calculating the market value of the loans, financing, debentures and derivatives was the discounted cash flow, considering expectancy of settlement or receipt of liabilities and assets at the market rates as of March 31, 2009.

The fair values are calculated by projecting the future flows of the transactions, using the BM&F Bovespa (*São Paulo Stock Exchange*) curves and bringing them to present value using market DI rates for swaps disclosed by the BM&F Bovespa.

The market values of the exchange coupon swaps x CDI were obtained using the market exchange rates in effect at March 31, 2009 and the rates projected by the market which were obtained from the currency coupon curves. For calculating the coupon of the positions indexed in foreign currency the linear convention of 360 calendar days was adopted and for calculating the coupon of the positions indexed to the CDI the exponential convention of 252 business days was adopted.

The financial instruments disclosed below are recorded with the CETIP, all of them being classified as swaps, not requiring a margin deposit.

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| Description | Notional | | Fair value | | Cumulative effect (current period) | |
|-----------------------------|--------------------|--------------------|--|--------------------|------------------------------------|-----------------------|
| | 03.31.09 | 12.31.08 | 03.31.09 | 12.31.08 | Amount receivable/(received) | Amount payable/(paid) |
| Swaps of contract | | | | | | |
| Asset position | | | | | | |
| Foreign currency | 1,351,361 | 1,768,940 | 1,824,517 | 2,432,082 | 514,586 | |
| ABN AMRO | USD 78,079 | 78,079 | 112,829 | 112,188 | 29,647 | |
| BANCO DO BRASIL | JPY 301,899 | 301,899 | 462,776 | 504,863 | 125,223 | |
| BRABESCO | USD 29,128 | 29,128 | 43,915 | 43,676 | 12,137 | |
| CITIBANK | USD 181,230 | 181,230 | 216,356 | 205,044 | 63,337 | |
| ITAU | USD 643 | 643 | 652 | 657 | | |
| JP MORGAN | USD 443,207 | 443,207 | 559,179 | 536,433 | 197,940 | |
| PACTUAL | USD 1,358 | 1,812 | 1,409 | 1,892 | | |
| SANTANDER | JPY 311,455 | 542,296 | 422,930 | 835,118 | 86,302 | |
| UNIBANCO | USD | 92,792 | | 93,478 | | |
| VOTORANTIM | USD 4,362 | 97,854 | 4,471 | 98,733 | | |
| Post rate (CDI) | 225,000 | 225,000 | 232,806 | 226,248 | | |
| BANCO DO BRASIL | CDI 175,000 | 175,000 | 181,071 | 175,970 | | |
| BRABESCO | CDI 50,000 | 50,000 | 51,735 | 50,277 | | |
| Pre rate (IGPM) | 110,000 | 110,000 | 163,954 | 156,703 | 16,266 | |
| UNIBANCO | IGPM 110,000 | 110,000 | 163,954 | 156,703 | 16,266 | |
| Liabilities position | | | | | | |
| Post rate (CDI) | (1,351,361) | (1,768,240) | (1,422,582) | (1,920,551) | | 112,650 |
| ABN AMRO | CDI (78,079) | (78,079) | (83,182) | (78,955) | | |
| BANCO DO BRASIL | CDI (301,899) | (301,899) | (337,554) | (324,189) | | |
| BRABESCO | CDI (29,128) | (29,128) | (31,778) | (30,551) | | |
| CITIBANK | CDI (181,230) | (181,230) | (183,234) | (177,882) | | 30,216 |
| ITAU | CDI (643) | (643) | (1,206) | (1,172) | | 554 |
| JP MORGAN | CDI (443,207) | (443,207) | (438,397) | (452,853) | | 77,157 |
| PACTUAL | CDI (1,358) | (1,812) | (2,430) | (3,144) | | 1,021 |
| SANTANDER | CDI (311,455) | (542,296) | (336,628) | (588,284) | | |
| UNIBANCO | CDI | (92,792) | | (127,030) | | |
| VOTORANTIM | CDI (4,362) | (97,854) | (8,173) | (136,491) | | 3,702 |
| Pre rate | (225,000) | (225,000) | (237,778) | (227,461) | | 4,971 |
| BANCO DO BRASIL | PRÉ (175,000) | (175,000) | (184,932) | (176,908) | | 3,860 |
| BRABESCO | PRÉ (50,000) | (50,000) | (52,846) | (50,553) | | 1,111 |
| Post rate (CDI) | (110,000) | (110,000) | (147,688) | (141,080) | | |
| UNIBANCO | CDI (110,000) | (110,000) | (147,688) | (141,080) | | |
| | | | Provision withholding income tax | | (99,671) | |
| | | | Amount receivable/payable withholding incor | | 431,181 | 117,621 |
| | | | Balance of Balance Sheet Adjustment | | 313,560 | |

(1) Foreign currency swaps x CDI (R\$1,824,517) swap transactions contracted with maturity dates until 2015, for protection against exchange rate variation risk in financing transactions of this nature (R\$1,826,377).

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(2) Swap CDI X Pre (R\$232,806) swap transactions contracted with maturity date in January 2010, for partially protecting against local interest rate fluctuations in relation to debts and derivatives exposed in CDI (debts of R\$2,656,676). For the other exposures to CDI (swap liabilities), the Company and its subsidiary (Vivo) have short term financial investments based on the variation of the CDI (R\$1,795,093 at March 31, 2009) as partial natural hedge. The book values of these financial investments are close to market values, because they are redeemed in the short term.

(3) Swap IGPM x CDI percentage (R\$163,954) swap transactions contracted with maturity date until 2010 with the purpose of protecting the flow identical to the debts at IGPM (R\$163,954).

At March 31, 2009, assets in the amount of R\$431,181 (R\$632,751 at December 31, 2008) and liabilities in the amount of R\$117,621 (R\$203,323 at December 31, 2008) were recorded by the Company and its subsidiary (Vivo) for recognition of the net derivatives positions as of that date.

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Gains and losses in the fiscal year ended on March 31, 2009, grouped by contracts executed, were recorded in the income accounts (note 24), as required in CVM Resolution 550/08.

Below is a breakdown of the maturity dates of the swaps at March 31, 2009:

| Description | Maturity | | | | Amount payable /receivable 03.31.09 |
|-------------------------------|----------------|----------------|-----------------|----------------|---|
| | 2009 | 2010 | 2011 | 2012 and after | |
| Swaps of contract | | | | | |
| Foreign currency x CDI | | | | | |
| ABN AMRO | | 29,647 | | | 29,647 |
| BANCO DO BRASIL | 121,215 | | 4,008 | | 125,223 |
| BRADESCO | 12,137 | | | | 12,137 |
| CITIBANK | (6,724) | (6,104) | (6,401) | 52,350 | 33,121 |
| ITAU | (554) | | | | (554) |
| JP MORGAN | (7,931) | (13,572) | (15,860) | 158,146 | 120,783 |
| PACTUAL | (1,021) | | | | (1,021) |
| SANTANDER | 86,302 | | | | 86,302 |
| UNIBANCO | | | | | |
| VOTORANTIM | (915) | (1,867) | (920) | | (3,702) |
| Total | 202,509 | 8,104 | (19,173) | 210,496 | 401,936 |
| CDI x Pre | | | | | |
| BANCO DO BRASIL | | (3,860) | | | (3,860) |
| BRADESCO | | (1,111) | | | (1,111) |
| Total | | (4,971) | | | (4,971) |
| IGPM x CDI | | | | | |
| UNIBANCO | | 16,266 | | | 16,266 |
| Total | | 16,266 | | | 16,266 |
| Total | 202,509 | 19,399 | (19,173) | 210,496 | |
| | | | | | (99,671) |
| | | | | | 313,560 |
| | | | | | 313,560 |

Analysis of sensibility to the risk variables of the Company and its subsidiary (Vivo)

CVM Instruction provides that publicly-held companies, in addition to the provisions in item 59 of CPC 14 Financial Instruments: Recognition, Measurement and Evidencing, are required to disclose a statement of sensibility analysis, for each type of market risk deemed by the management to be material, originated by financial instruments, to which the entity is exposed at the closing date of each period, including all the transactions with derivative financial instruments.

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In compliance with the provisions above, each of the transactions with derivatives was evaluated considering a probable realization scenario and two scenarios which may generate adverse results to the Company and its subsidiary (Vivo).

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In the probable scenario, assuming the realization on the maturity dates of each of the transactions, what the market has been signaling in the future market curves (currency and interest) of the BM&F Bovespa, was considered. Thus, in the probable scenario, there is no impact on the fair value of the financial instruments already presented above. For the adverse scenarios, deterioration of 25% and 50%, respectively, was considered in the risk variables until the maturity date of the financial instruments.

As the Company and its subsidiary (Vivo) only have derivative instruments for hedging their financial debt, changes in the scenarios are accompanied by the respective hedge objects, thus showing that the effects thereof are almost null. For these transactions, the Company has stated the balance of the subject matter (debt) and of the derivative financial instrument (hedge) in separate lines of the sensibility analysis table, in order to inform on the net exposure of the Company, in each of the three mentioned scenarios, as shown below:

Sensibility Analysis Net Exposure

| Operation | Risk | Provable | Deterioration 25% | Deterioration 50% |
|--------------------------|------------------------------------|-------------|-------------------|-------------------|
| Hedge (Asset position) | Derivatives (Risk reduction USD) | 938,810 | 1,251,868 | 1,605,754 |
| Debit in USD | Debit (Risk increase USD) | (958,711) | (1,277,837) | (1,638,330) |
| Net exposure | | (19,901) | (25,969) | (32,576) |
| Hedge (Asset position) | Derivatives (Risk reduction JPY) | 885,706 | 1,108,247 | 1,331,329 |
| Debit in JPY | Debit (Risk increase JPY) | (885,706) | (1,108,247) | (1,331,329) |
| Net exposure | | | | |
| Hedge (Asset position) | Derivatives (Risk reduction IGP-M) | 163,954 | 167,594 | 169,247 |
| Debit in IGP-M | Debit (Risk increase IGP-M) | (163,954) | (167,594) | (169,247) |
| Net exposure | | | | |
| Hedge (Asset position) | Derivatives (Risk reduction CDI) | 232,806 | 253,862 | 258,024 |
| Debit in CDI | Debit (Risk increase CDI) | (232,806) | (253,862) | (258,024) |
| Net exposure | | | | |
| Hedge | | | | |
| (CDI Liability position) | Derivatives (Risk increase CDI) | (1,570,268) | (1,862,220) | (2,125,726) |
| Net exposure | | (1,570,268) | (1,862,220) | (2,125,726) |

Premises for the Sensibility Analysis

| Risk variable | Provable | Deterioration 25% | Deterioration 50% |
|---------------|----------|-------------------|-------------------|
| USD | 2,3152 | 2,894 | 3,473 |
| JPY | 0.0233 | 0.029 | 0.035 |
| IGP-M | 6.3% | 7.8% | 9.4% |
| CDI | 11.08% | 13.85% | 16.62% |

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The net exposure in CDI shown in the sensibility analysis does not reflect all the exposure of the Company and of its subsidiary (Vivo) to the local interest rate, once the Company has debts indexed to the CDI, and has short term financial investments based on the variation of the CDI (R\$1,795,093 at March 31, 2009) as partial natural hedge .

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For calculation of the net exposure, all the derivatives were considered at their fair value, as well as the associated debts (hedged elements).

The fair values, shown in the table above, depart from a portfolio position at March 31, 2009, however they do not reflect an estimate of realization due to the market dynamism, constantly monitored by the Company and its subsidiary (Vivo). The use of different premises may significantly affect the estimates.

27. POST-EMPLOYMENT BENEFIT PLANS

Vivo, together with other companies belonging to the former Telebrás System, sponsor private pension plans and medical assistance plans for retired employees under the same conditions of the publication for the last fiscal year, as follows: i) PBS-A; ii) PAMA; iii) PBS- Telesp Celular, PBS-TCO, PBS Tele Sudeste Celular and PBS Tele Leste Celular; iv) TCP Prev and TCO Prev Plans; v) Visão Celular Benefit Plans Celular CRT, Telerj Celular, Telest Celular, Telebahia Celular and Telergipe Celular.

As disclosed in the publication for the last fiscal year, the management and equity of the above referred plans (except for the PBS-A and PAMA, which are still managed by Fundação SISTEL de Seguridade Social SISTEL) was transferred to Visão Prev Sociedade de Previdência Complementar (Visão Prev).

On August 21, 2007, the regulation of Vivo-Prev plan was approved, an individual plan of defined contribution, which has already been managed by Visão Prev. The contributions of Vivo to this plan are equal to the ones from the participants, varying from 0% to 8% of the participation wage, as a function of the percentage chosen by the participant, with migration of the former plans to Vivo Prev, at free option of the participants. The adhesion to the new plan has been massive.

Vivo, through its actuarial consultants, has prepared studies considering the impact of ordinary action No. 04/081.668-0, brought by ASTEL against Fundação Sistel de Seguridade Social, in which Telefonica and Telesp Celular (company that was merged into Vivo) are mentioned, in addition to Sistel, which action is related to the change in the costing system and review of other PAMA benefits. Based on the opinion of its tax consultants, the Management believes that at this time there is no payment risk, and at March 31, 2009 the chance of loss was classified as possible. At March 31, 2009 the amount in question was R\$1,575 (R\$1,475 at December 31, 2008).

Telemig Celular individually sponsors a defined retirement benefits plan Plano PBS Telemig Celular. Besides the benefit of supplementation, medical assistance (PAMA) is provided to retired employees and their dependents, at shared cost.

Telemig Celular also sponsors the CelPrev, a defined contribution plan, under the same conditions as published in the last fiscal year.

Actuarial provisions relating to the plans mentioned above are recorded in Other liabilities (Note 17).

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28. TRANSACTIONS WITH RELATED PARTIES

The main transactions with unconsolidated related parties are:

- a) *Communication via local cellular phone and long distance and use of network:* these transactions are carried out with companies of the same controlling group: Telecomunicações de São Paulo S.A. TELESP and subsidiaries. Part of these transactions were carried out in conformity with agreements entered into between TELEBRAS and the concessionaires prior to the privatization, under conditions regulated by ANATEL. It includes roaming services to customers of Telecomunicações Móveis Nacionais TMN and several companies related to the Telefónica Group in the Company's network.
 - b) *Technical Assistance:* this refers to business consultant services provided by PT SGPS and technical assistance by Telefonica S.A., Telefonica International S.A., calculated on the basis of a formula provided for in the contracts that includes the variation in LAIR (Profit Before the Income Tax) and the variation in PN and ON shares which determine a coefficient that is applied to the service revenues. In the case of the operation of the branch office in Rio Grande do Sul, its contract provides for only a fixed percentage on the service revenue. The above referred contracts were terminated on August 04, 2008.
 - c) *Rendering of corporate services:* these were transferred to the subsidiaries at the cost actually incurred in these services.
 - d) *Telephone assistance services:* services provided by Atento Brasil S.A. and Mobitel S.A. Dedic to users of telecommunication services, contracted for 12 months, and renewable for an equal period.
 - e) *System development and maintenance services:* rendered by Portugal Telecom Inovação Brasil S.A. and Telefonica Pesquisa e Desenvolvimento do Brasil Ltda.
 - f) *Logistics operator and financial and accounting consultancy services:* rendered by Telefonica Serviços Empresariais do Brasil Ltda.
 - g) *Voice portal content provider services:* rendered by Terra Networks Brasil S/A.
 - h) *International roaming services:* provided by Telefonica Móviles España S.A and Telecomunicações Móveis Nacionais TMN.
- We summarize below balances and transactions with non-consolidated related parties:

| | Consolidated | |
|---------|--------------|----------|
| | 03.31.09 | 12.31.08 |
| Assets: | | |

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| | | |
|--------------------------------|---------|---------|
| Accounts receivable, net | 258,568 | 244,341 |
| Credits with related parties | 13,365 | 12,929 |
| <i>Liabilities:</i> | | |
| Suppliers and accounts payable | 374,712 | 389,925 |
| Technical assistance | 166,022 | 170,178 |
| Liabilities to related parties | 5,232 | 4,070 |

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VIVO PARTICIPAÇÕES S.A.

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| | Consolidated | |
|---|--------------|-----------|
| | 03.31.09 | 03.31.08 |
| <i>Result:</i> | | |
| Revenue from telecommunication services | 515,739 | 472,939 |
| Cost of services rendered | (53,451) | (36,116) |
| Other operating revenue (expenses), net | (171,979) | (204,313) |
| Financial income (expenses), net | 4,156 | (1,842) |

29. INSURANCE

The Company and its subsidiaries adopted a policy of monitoring risks inherent to their transactions. For this reason, as of March 31, 2009, the Company and its subsidiary had insurance contracts in place for coverage of operating risks, civil liability, health risks, etc. The Management of the Company and of its subsidiaries considers that the amounts of such contracts are sufficient to cover potential losses. The main assets, liabilities or interests covered by insurance and their respective amounts are shown below:

| Type of Insurance | Insured amounts |
|--|---|
| Operating risks | R\$18,921,843 |
| Comprehensive Civil Liability RCG | R\$4,576 |
| Automobile (fleet of executive vehicles) | Hull: 100% of Fipe Table; Material/Bodily and Moral Damages R\$220 |

30. AMERICAN DEPOSITARY RECEIPTS (ADR) PROGRAM

On November 16, 1998, the Company started trading ADRs on the New York Stock Exchange (NYSE) under ticker symbol TCP and since March 31, 2006 under ticker symbol VIV (in accordance with the decision by the Special Shareholders Meeting of February 22, 2006), with the following main characteristics:

Type of shares: preferred

Each ADR represents 1 (one) preferred share

The shares are traded in the form of ADRs on the New York Stock Exchange under ticker symbol VIV

Foreign depository bank: The Bank of New York Mellon

Custodian bank in Brazil: Banco Itaú S/A.

31. COMBINED QUARTERLY INCOME STATEMENT

In order to offer proper comparison, we are presenting below the consolidated and combined quarterly income statement, considering that the acquisition of the share control of Telemig Participações had already occurred on January 01, 2008.

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This information is presented only for allowing additional analysis resulting from the comparison of balances and transactions. It does not purport what might have occurred if the companies were already under common control and does not purport to represent the financial statements of one corporate entity separately nor necessarily indicate future results.

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FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

Because it refers to combined information, that is, a simple sum of the accounting items, for preparation of the income statements, minority interests were not taken into consideration.

| | 03.31.09 Consolidated | 03.31.08 Combined |
|---|--------------------------|----------------------|
| Telecommunication services | 4,855,614 | 4,430,185 |
| Sales of handsets and accessories | 738,352 | 682,545 |
| Gross operating revenue | 5,593,966 | 5,112,730 |
| Deduction from the gross operating revenue | (1,573,847) | (1,431,499) |
| Net operating revenue | 4,020,119 | 3,681,231 |
| Cost of services rendered | (1,664,357) | (1,404,638) |
| Cost of products sold | (613,131) | (533,598) |
| Gross profit | 1,742,631 | 1,742,995 |
| Selling expenses | (989,005) | (958,481) |
| General and administrative expenses | (348,966) | (344,850) |
| Other operating revenue (expenses), net (a) | (5,624) | 144,562 |
| Operating expenses | (1,343,595) | (1,158,769) |
| Operating profit before financial income (expenses) | 399,036 | 584,226 |
| Financial expenses | (213,828) | (117,101) |
| Financial income | 87,894 | 101,406 |
| Monetary and exchange variations, net | (23,209) | (23,546) |
| Profit before income taxes and minority interest | 249,893 | 544,985 |

- (a) In the first quarter of 2008, Telemig Celular reverted the full provision for ICMS on subscription and additional services in the amount of R\$700,005, of which R\$448,381 are a counter-entry to the judicial deposits posted to the non-current assets and R\$251,624 in the income for the period.

32. CORPORATE REORGANIZATION

On March 20, 2009, the managements of Vivo Participações, Telemig Celular and Telemig Participações, in the form and for the purposes of CVM Instructions No. 319/999 and 358/02, have informed that their respective Boards of Directors approved the proposal to constitute an independent Committee (in conformity with Parecer de Orientação of CVM No. 35) for a Corporate Reorganization through merger of the shares of Telemig Celular and of Telemig Participações into Vivo Participações, by converting Telemig Celular in to a wholly-owned subsidiary

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of Telemig Participações and, the latter, into a wholly-owned subsidiary of Vivo Participações.

The purpose of the proposed Corporate Reorganization is to simplify the current organizational structure, which includes three publicly-held companies, two of them having ADRs traded abroad. The simplified structure will reduce administrative costs and allow the shareholders of the companies to hold interest in one sole company whose shares are traded both in Brazilian and international stock exchanges, with more liquidity, besides facilitating unification, standardization and rationalization of the general management of the business.

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VIVO PARTICIPAÇÕES S.A.

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The flow chart below, reproduced in a simple manner, shows the current corporate structure and the structure after implementation of the Corporate Reorganization, emphasizing that the referred transaction will not change the composition of the final share control of the companies involved:

Current Corporate Structure:

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VIVO PARTICIPAÇÕES S.A.

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FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

(in thousands of Brazilian Reais, except as otherwise mentioned)

Corporate structure after merger of the shares of Telemig Celular into Telemig Participações and of Telemig Participações into Vivo Participações:

All the shares of Telemig Celular will be merged into Telemig Participações equity, and the holders of the merged shares of Telemig Celular will be entitled to directly receive those new shares to which they have rights in the merger company, Telemig Participações. At the same date, the shares of Telemig Participações will be merged into Vivo Participações equity, and the holders of the merged shares of Telemig Participações will be entitled to directly receive those new shares to which they have right in the merger company, Vivo Participações, pursuant to such exchange ratio as may be agreed among the above mentioned companies.

The merger of the shares of Telemig Celular and of Telemig Participações shall not cause any change to the number or breakdown by type of shares, which will ultimately be entirely held by Vivo Participações. Holders of common and preferred shares of Telemig Celular which are merged into Telemig Participações equity will receive new shares in Telemig Participações of the same type, that is, merged preferred shares will be replaced by new preferred shares of Telemig Participações to be issued on behalf of the respective holder, and merged common shares shall be replaced by new common shares of Telemig Participações to be issued on behalf of the respective holder. Subsequently, and in the same manner, the holders of common and preferred shares of Telemig Participações which are merged into Vivo Participações equity will receive new shares of Vivo Participações of the same type. Thus, upon completion of the transaction, the non-controlling shareholders of Telemig Celular and of Telemig Participações will become shareholders of Vivo Participações.

The holders of common and preferred shares of Telemig Celular and of Telemig Participações and of common shares of Vivo Participações who dissent from the merger of shares of Telemig Celular and of Telemig Participações will have the right, as from the date of the general and special meetings of the companies adopting resolutions with respect to the Corporate Reorganization, to withdraw from the respective companies, upon reimbursement of the shares of which they are holders on the record date of the notice of the Relevant Fact.

VIVO PARTICIPAÇÕES S.A.

NOTES TO THE QUARTERLY FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2009

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The above mentioned Corporate Reorganization will be submitted to ANATEL for approval. Since it refers to a Corporate Reorganization among companies belonging to the same economic group, the transaction described herein is not subject to approval from the Administrative Council for Economic Defense CADE. The holding of the meetings for adoption of resolutions concerning the Corporate Reorganization will be subject to the registration with the Securities Exchange Commission SEC, as required in its respective regulations, due to the trading of ADRs issued by Telemig Participações in the New York Stock Exchange.

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COMMENTS OF THE CONSOLIDATED PERFORMANCE IN THE QUARTER

VIVO PARTICIPAÇÕES S.A.

NET OPERATING REVENUES VIVO

| R\$ million | Consolidated | | Δ% | Consolidated | | Δ% |
|-----------------------------|----------------|----------------|--------------|----------------|----------------|-------------|
| | 1 Q 09 | 4 Q 08 | | 1 Q 08 | 4 Q 08 | |
| Access and Usage | 1,668.0 | 1,804.2 | -7.5% | 1,510.2 | 1,462.0 | 10.4% |
| Network usage | 1,518.4 | 1,562.5 | -2.8% | 1,462.0 | 1,462.0 | 3.9% |
| Data Revenues plus VAS | 442.5 | 379.4 | 16.6% | 343.1 | 343.1 | 29.0% |
| Other services | 40.8 | 42.7 | -4.4% | 31.9 | 31.9 | 27.9% |
| Net service revenues | 3,669.7 | 3,788.8 | -3.1% | 3,347.2 | 3,347.2 | 9.6% |
| Net handset revenues | 350.4 | 479.5 | -26.9% | 334.1 | 334.1 | 4.9% |
| Net Revenues | 4,020.1 | 4,268.3 | -5.8% | 3,681.3 | 3,681.3 | 9.2% |

OPERATING REVENUE

Growth of 9.6% in the net service revenue in 1Q09.

Total **net revenue** grew 9.2% over 1Q08, due to the growth in the service revenue, which represents growth in all components. Such growth is a result of the natural growth in the customer base, of the actions for stimulation of the recharges and of the sale of products and Value Added Services, or VAS. In relation to 4Q08, the total net revenue decreased by 5.8%, mainly due to the reduction of 26.9% in the revenue from handsets, as a result of the seasonality of the period.

Access and usage revenue recorded an increase of 10.4% over 1Q08, mainly due to the increase in the total outgoing traffic due to the incentive to usage. When compared to 4Q08, there was a reduction of 7.5% in the access and usage revenue as a result of the lower number of business days and the seasonality of the period.

Continuous growth of data revenue and VAS.

Data revenue plus VAS has grown 29.0% and 16.6% over 1Q08 and 4Q08, respectively, representing 12.1% of the Net Service Revenue. Several factors contributed to this: 31.1% increase in the data revenue due to the text messaging (SMS/MMS) usage and 44.7% increase due to Wireless Application Protocol, or WAP, Internet 3G and e-mailing usage year-over-year. SMS/MMS has continued to be the largest selling service, accounting for more than 52% of the data and VAS revenue.

OPERATING COSTS VIVO

| R\$ million | Consolidated | | Δ% | Combined | |
|---|------------------|------------------|---------------|------------------|---------------|
| | 1 Q 09 | 4 Q 08 | | 1 Q 08 | Δ% |
| Personnel | (210.7) | (205.9) | 2.3% | (197.7) | 6.6% |
| Cost of services rendered | (1,070.9) | (1,062.4) | 0.8% | (955.5) | 12.1% |
| Leased lines | (89.8) | (87.1) | 3.1% | (63.0) | 42.5% |
| Interconnection | (533.6) | (571.9) | -6.7% | (511.5) | 4.3% |
| Rent/Insurance/Condominium fees | (82.1) | (85.4) | -3.9% | (61.8) | 32.8% |
| Fistel and other taxes and contributions | (212.1) | (177.7) | 19.4% | (159.5) | 33.0% |
| Third-party services | (133.4) | (136.1) | -2.0% | (139.5) | -4.4% |
| Others | (19.9) | (4.2) | 373.8% | (20.2) | -1.5% |
| Cost of goods sold | (613.1) | (720.6) | -14.9% | (533.6) | 14.9% |
| Selling expenses | (764.2) | (842.0) | -9.2% | (735.2) | 3.9% |
| Allowance for doubtful accounts | (77.6) | (59.5) | 30.4% | (90.0) | -13.8% |
| Third-party services | (540.0) | (640.0) | -15.6% | (499.3) | 8.2% |
| Customer loyalty and donatios | (100.1) | (97.7) | 2.5% | (108.8) | -8.0% |
| Others | (46.5) | (44.8) | 3.8% | (37.1) | 25.3% |
| General & administrative expenses | (161.9) | (76.4) | 111.9% | (188.1) | -13.9% |
| Third-party services | (125.4) | (47.3) | 165.1% | (159.1) | -21.2% |
| Others | (36.5) | (29.1) | 25.4% | (29.0) | 25.9% |
| Other operating revenue (expenses) | 4.6 | 35.3 | -87.0% | 234.0 | -98.0% |
| Operating revenue | 78.9 | 130.1 | -39.4% | 327.2 | -75.9% |
| Operating expenses | (97.7) | (97.6) | 0.1% | (93.1) | 4.9% |
| Other operating revenue (expenses) | 23.4 | 2.8 | 735.7% | (0.1) | n.a. |
| Total costs before depreciation / amortization | (2,816.2) | (2,872.0) | -1.9% | (2,376.1) | 18.5% |
| Depreciation and amortization | (804.9) | (817.7) | -1.6% | (721.1) | 11.6% |
| Total operating costs | (3,621.1) | (3,689.7) | -1.9% | (3,097.2) | 16.9% |

OPERATING COSTS***Cost of services increased due to expenses with Fistel Fee.***

The 12.1% increase in the **cost of the services rendered** in 1Q09, when compared with 1Q08, is the result of the 33.0% increase in the costs for the Fistel Fee due to the growth of the customer base, the increase in the leased lines and the increase in lease, insurance and condominium expenses. In comparison with 4Q08, it recorded a slight growth of 0.8% related to the increase in Fistel Fee and other expenses, offset by a reduction in the interconnection costs.

Commercial and operational efficiency.

The **cost of goods sold** recorded an increase of 14.9%, in the comparison of 1Q09 over 1Q08 due to the foreign exchange devaluation occurred between the periods that increased the acquisition cost of handsets and to the launching of the operations in the Northeast region, which was offset by an increased activity of sales of Sim Cards. In the comparison with 4Q08, the reduction of 14.9% reflects the decrease in the commercial activity due to the seasonality between the periods being compared.

In the 1Q09, the **selling expenses** grew 3.9% over 1Q08, reflecting the increase in expenses with third-party services, such as: publicity and advertising, outsourced labor and client care. The increase was partially offset by a reduction in the allowance for doubtful accounts and customer retention efforts. In the comparison with 4Q08, selling expenses decreased by 9.2%, as a result of the reduction in expenses with third-party services, especially publicity and advertising, and other expenses with materials for points of sale, partially affected by the increase in the allowance for doubtful accounts. Decrease in the commercial activity was also recorded.

Allowance for doubtful accounts under control.

The **Allowance for Doubtful Accounts** in 1Q09 showed a reduction of 13.8% in relation to 1Q08. The amount of R\$ 77.6 million represents 1.4% of the total gross revenue, lower than it was recorded in 1Q08, of 1.8%. In relation to the 4Q08, which is positively impacted by the corporate segment credit recovery for which provisions had been previously recorded and by the individual segment credit recovery due to the campaigns carried out for bonus amount, there was an increase of 0.4 percentage points. Vivo has continued with its collection actions and strict credit granting criteria, which have maintained this item under control.

The **general and administrative expenses** decreased by 13.9% in 1Q09 in relation to 1Q08, mainly due to the decrease in expenses with third-party services, especially technical assistance. In the comparison with 4Q08, which was positively impacted by the reduction in technical-administrative services and by settlement with non-recurring suppliers, the increase was of 111.9%, reflecting higher expenses with third-party services, especially auditing, legal, data processing and technical services.

Other Operating Revenue/Expenses recorded revenue of R\$ 4.6 million. The comparison with 4Q08 presents a reduction in the revenues from recovered expenses, especially taxes. As set forth in MP 449/08, the amounts which were previously accounted for as non-operating Revenues/Expenses started being posted to this account. The reduction in comparison with 1Q08 was due to reversal of the ICMS provision by Telemig, effected during the quarter.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization expenses recorded an increase of 11.6% in relation to 1Q08, due to the accelerated depreciation of the CDMA technology and to the investments in the period, in addition to the amortization of the goodwill as a result of the acquisition of Telemig. When compared to 4Q08, it recorded a reduction of 1.6%, due to lower investments made in the period.

FINANCIAL REVENUES (EXPENSES) VIVO

| R\$ million | Consolidated | | | Combined | |
|---|----------------|----------------|---------------|----------------|---------------|
| | 1 Q 09 | 4 Q 08 | Δ% | 1 Q 08 | Δ% |
| Financial Revenues | 87.9 | 65.2 | 34.8% | 101.4 | -13.3% |
| Other financial revenues | 89.7 | 90.5 | -0.9% | 101.4 | -11.5% |
| (-) Pis/Cofins taxes on financial revenues | 0.0 | (25.3) | n.a. | 0.0 | n.a. |
| Financial Expenses | (213.8) | (312.7) | -31.6% | (117.2) | 82.4% |
| Other financial expenses | (182.8) | (236.4) | -22.7% | (68.6) | 166.5% |
| Gains (Losses) with derivatives transactions | (31.0) | (76.3) | -59.4% | (48.6) | -36.2% |
| Exchange rate variation / Monetary variation | (23.2) | (35.3) | -34.3% | (23.5) | -1.3% |
| Net Financial Income | (149.1) | (282.8) | -47.3% | (39.3) | 279.4% |

Drop of 47.3% in financial expenses in comparison with 4Q08.

In relation to 1Q08, Vivo's financial expenses increased by R\$ 109.8 million, mainly due to the increase in the net debt (3G financing and expenditures for acquisition of Telemig Celular Participações S/A) and to a higher effective interest rate in the period (2.85% in 1Q09 and 2.53% in 1Q08).

The financial expenses decreased by R\$ 133.7 million in the comparison between 1Q09 and 4Q08. This variation is mainly explained by the extraordinary effects occurred in 4Q08, such as recognition of the extraordinary provision for 3G and the expense of PIS/COFINS on the distribution of Interest on Shareholders' Equity, effected in 4Q08 (in the amount of R\$ 25.3 million). In addition, a reduction in expenses was recorded due to a lower effective interest rate in the period (2.85% in 1Q09 and 3.26% in 4Q08).

LOANS AND FINANCING VIVO

| Lenders (R\$ million) | R\$ | CURRENCY | | | | Total |
|-----------------------------------|----------------|----------------|------------|---------------|--------------|----------------|
| | | URTJLP * | UMBND ** | US\$ | Yen | |
| Structured Operations (1) | 353.3 | 1,418.0 | 8.5 | 850.4 | | 2,630.2 |
| Debentures | 1,325.6 | | | | | 1,325.6 |
| Commercial Papers | 1,126.5 | | | | | 1,126.5 |
| Resolution 2770 | 166.3 | | | 163.4 | 894.3 | 1,224.0 |
| Anatel (Financing of 3G Licenses) | 1,236.9 | | | | | 1,236.9 |
| Working Capital | 262.3 | | | | | 262.3 |
| Others | 0.1 | | | 0.2 | | 0.3 |
| Adjust Law 11.638/07 | (2.3) | | | (81.8) | (8.6) | (92.7) |
| Total | 4,468.7 | 1,418.0 | 8.5 | 932.2 | 885.7 | 7,713.1 |
| Exchange rate used | | 1.972884 | 0.045386 | 2.315200 | 0.023346 | |
| Payment Schedule Long Term | | | | | | |
| 2009 | 1,471.5 | 121.1 | 2.8 | 66.5 | 857.4 | 2,519.3 |
| as from 2009 | 2,997.1 | 1,296.9 | 5.8 | 865.7 | 28.3 | 5,193.8 |
| Total | 4,468.6 | 1,418.0 | 8.6 | 932.2 | 885.7 | 7,713.1 |

- (1) Structured operations along with development banks for investments: National Bank for Economic and Social Development (BNDES), Bank of the Northeast (BNB) and European Bank of Investments (BEI).

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NET DEBT VIVO

| | Consolidated | | |
|---------------------------|----------------|----------------|----------------|
| | Dec | Sep | Combined |
| | 30.08 | 30.08 | Dec 30.07 |
| Short Term | 2,994.3 | 3,119.8 | 2,214.0 |
| Long Term | 4,718.8 | 4,883.3 | 2,755.5 |
| Total debt | 7,713.1 | 8,003.1 | 4,969.5 |
| Cash and cash equivalents | (1,820.0) | (2,271.7) | (3,178.2) |
| Derivatives | (313.6) | (429.3) | 438.2 |
| Net Debt | 5,579.5 | 5,302.1 | 2,229.5 |

(*) BNDES long term interest rate unit

(**) UMBND prepared by the BNDES, it is a basket of foreign currencies unit, US dollar predominant

Increase of debt due to payment of Fistel Fee and dividends Improved debt profile.

The Company closed March 2009 with a debt of R\$ 7,713.1 million (R\$ 4,969.5 million at March 31, 2008), of which 23.7% is denominated in foreign currency, 99.9% of which being hedged. The debt recorded in the 1Q09 was offset by cash and financial investments (R\$ 1,820.0 million) and by derivative assets and liabilities (R\$ 313.6 million receivable), resulting in a net debt of R\$5,579.5 million (R\$ 2,229.5 million at March 31, 2008).

Despite the increase in the net debt, the debt profile improved. In 1Q08, 55.4% of the debt was at long term, while in 1Q09 the long term debt represented 61.2%. This change in the debt composition has occurred due to higher funding from structured transactions (BNDES and BNB) and to the use of the credit facility granted for the 3G license which was made available in the auction carried out by Anatel.

The increase in the net debt in 1Q09, when compared to 1Q08, is mainly due to the acquisitions of 3G licenses and of Telemig Celular Participações S/A, offset by generation of cash in the period.

In the comparison between 1Q09 and 4Q08, the consolidated net debt recorded an increase of R\$ 277.4 million. Although the company has recorded a good operational cash generation in 1Q09 in the amount of R\$ 619.2 million, which was impacted by payment of the TFF (Installation and Inspection Fee) to Anatel in the amount of R\$ 552.5 million, Vivo's payments of CAPEX (R\$ 541.3 million) and of dividends (R\$ 122.7 million) increased.

In 1Q09, the Company issued one-series, simple, non-convertible in shares, in the amount of R\$ 210.0 million, at a cost of 113.55% of the CDI, with maturity date on 01/11/10.

Investments (CAPEX)

Investments in the GSM and WCDMA/HSUPA network, resulting in coverage and quality leadership.

The expenditures were intended for ensuring continued quality of the network in order to support the accelerated growth Vivo has been experiencing, the increase of the Global System for Mobile Communication, or GSM/EDGE capacity and the continued expansion of the Wide-Band Code-Division Multiple Access, or WCDMA/HSUPA network, in addition to meeting the coverage goals set forth by Anatel. The Company closed 1Q09 with coverage in 3,119 municipalities, reaching more than 84% of the Brazilian population. CAPEX in 1Q09 represents 13.5% of the net revenue. The coverage of 399 municipalities with 3.5G consolidates its leadership in this technology.

CAPEX VIVO

| R\$ million | Consolidated 1 Q 09 | Consolidated 4 Q 08 | Combined 1 Q 08 |
|--|------------------------|------------------------|--------------------|
| Network | 375.9 | 978.4 | 138.4 |
| Technology / Information System | 53.7 | 109.8 | 42.6 |
| Licenses | 0.0 | 0.0 | 0.0 |
| Adjust of Licenses to Present Value (Inst CVM 469/08) | 0.0 | 74.8 | 0.0 |
| Products and Services, Channels, Administrative and others | 111.7 | 156.8 | 87.8 |
| Total | 541.3 | 1,319.8 | 268.8 |
| % Net Revenues | 13.5% | 30.9% | 7.3% |

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.

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