

Vivo Participacoes S.A.  
Form 6-K  
September 01, 2009

## SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### FORM 6-K

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

**For the month of August, 2009**

**Commission File Number 1-14493**

### **VIVO PARTICIPAÇÕES S.A.**

(Exact name of registrant as specified in its charter)

### **VIVO Holding Company**

(Translation of Registrant's name into English)

**Av. Roque Petroni Jr., no.1464, 6<sup>th</sup> floor part, "B"building  
04707-000 - São Paulo, SP  
Federative Republic of Brazil**

(Address of principal executive office)

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

Form 20-F ☒ Form 40-F ☐

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

Yes ☐ No ☒

**COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.**

#### **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<
4 - Registration Number (NIRE)		
35300158792		

#### **01.02 - HEAD OFFICE**

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1 - ADDRESS Av. Roque Petroni Júnior, 1464				2 - DISTRICT Morumbi	
3 - ZIP CODE 04707-000		4 - MUNICIPALITY São Paulo			5 - STATE SP
6 - AREA CODE 11	7 - TELEPHONE NUMBER 7420-1062	8 - TELEPHONE NUMBER -	9 - TELEPHONE NUMBER -	10 - TELEX -	
11 - AREA CODE 11	12 - FAX 7420-2247	13 - FAX -	14 - FAX -		
15 - E-MAIL					

**01.03 - INVESTOR RELATIONS OFFICER (Company Mail Address)**

1 - NAME Ernesto Gardelliano					
2 - ADDRESS Av. Roque Petroni Junior, 1464				3 - DISTRICT Morumbi	
4 - ZIP CODE 04707-000		5 - MUNICIPALITY São Paulo			6 - STATE SP
7 - AREA CODE 11	8 - TELEPHONE NUMBER 7420-1172	9 - TELEPHONE NUMBER -	10 - TELEPHONE NUMBER -	11 - TELEX -	
12 - AREA CODE 11	13 - FAX 7420-2247	14 - FAX -	15 - FAX -		
16 - E-MAIL <a href="mailto:ri@vivo.com.br">ri@vivo.com.br</a>					

**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	2	04/01/2009	06/30/2009	1	01/01/2009	03/31/2009
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		

**01.05—CAPITAL COMPOSITION**

NUMBER OF SHARES (IN THOUSANDS)	1 - CURRENT QUARTER 06/30/2009	2 - PRIOR QUARTER 03/31/2009	3 - SAME QUARTER IN PRIOR YEAR 06/30/2008
<b>SUBSCRIBED CAPITAL</b>			
1 - COMMON	136,275	136,275	536,601
2 - PREFERRED	238,064	238,064	937,476
3 - TOTAL	374,339	374,339	1,474,077
<b>TREASURY STOCK</b>			
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
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**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
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**01.09—SUBSCRIBED CAPITAL AND CHANGES IN CURRENT YEAR**

1 - ITEM	2 - DATE OF CHANGE	3 - CAPITAL (In thousands)	4 - CHANGE AMOUNT	5 - CHANGE NATURE	6 - NUMBER OF SHARES	7 - SHARE PRICE ON
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		of reais)	(In thousands of reais)		ISSUED (Thousand)	ISSUE DATE (In reais)
01	03/19/2009	6,900,422	189,896	Capital Reserve	5,820	32.6300000000

**01.10—INVESTOR RELATIONS OFFICER**

1 - DATE	2 - SIGNATURE
07/28/2009	

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 PARTICIPAÇ ES S.A.	02.558.074/0001-73

**02.01—BALANCE SHEET—ASSETS (IN THOUSANDS OF REAIS)**

1 - CODE	2 - ACCOUNT DESCRIPTION	3 - 06/30/2009	4 - 03/31/2009
1	TOTAL ASSETS	10,884,661	11,309,107
1.01	CURRENT ASSETS	70,336	633,906
1.01.01	CASH AND CASH EQUIVALENTS	4,707	395,759
1.01.01.01	CASH AND CASH EQUIVALENTS	4,707	395,759
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	65,629	238,147
1.01.04.01	DEFERRED AND RECOVERABLE TAXES	8,650	7,562
1.01.04.02	DIVIDENDS AND INTEREST ON SHAREHOLDERS' EQUITY	52,868	227,493
1.01.04.03	PREPAID EXPENSES	1,436	2,237
1.01.04.04	OTHER ASSETS	2,675	855
1.02	NONCURRENT ASSETS	10,814,325	10,675,201
1.02.01	LONG-TERM RECEIVABLES	583,531	569,008
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	581,668	567,145
1.02.01.03.01	DEFERRED AND RECOVERABLE TAXES	574,609	560,010
1.02.01.03.02	PREPAID EXPENSES	1,481	1,556
1.02.01.03.03	OTHER ASSETS	5,578	5,579
1.02.02	PERMANENT ASSETS	10,230,794	10,106,193
1.02.02.01	INVESTMENTS	8,804,498	8,679,896
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	8,804,498	8,679,792
1.02.02.01.04	GOODWILL ON ACQUISITION OF INVESTMENTS	0	0
1.02.02.01.05	OTHER INVESTMENTS	0	104
1.02.02.02	PROPERTY, PLANT AND EQUIPMENT	3	4
1.02.02.03	INTANGIBLE ASSETS	1,426,293	1,426,293
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 - 06/30/2009	4 - 03/31/2009
2	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,884,661	11,309,107
2.01	CURRENT LIABILITIES	1,320,838	1,917,683
2.01.01	LOANS AND FINANCING	560,144	1,126,503
2.01.02	DEBENTURES	237,388	267,876
2.01.03	SUPPLIERS	3,130	4,492
2.01.04	TAXES PAYABLE	1,506	1,481
2.01.05	DIVIDENDS PAYABLE	407,445	407,457
2.01.06	PROVISIONS	1,182	1,198
2.01.07	PAYABLES TO RELATED PARTIES	266	293
2.01.08	OTHER	109,777	108,383
2.01.08.01	PAYROLL AND SOCIAL CHARGES	350	320
2.01.08.02	DERIVATIVE CONTRACTS	6,463	4,971
2.01.08.03	OTHER LIABILITIES	102,964	103,092
2.02	NONCURRENT LIABILITIES	1,000,380	1,000,388
2.02.01	LONG-TERM LIABILITIES	1,000,380	1,000,388
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	60	68
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	8,563,443	8,391,036
2.05.01	CAPITAL STOCK	6,900,422	6,900,422
2.05.02	CAPITAL RESERVES	518,678	518,678
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	295,916	123,509

**03.01—STATEMENT OF OPERATIONS (IN THOUSANDS OF REAIS)**

1 - CODE	2 - DESCRIPTION	3 - 04/01/2009 to 06/30/2009	4 - 01/01/2009 to 06/30/2009	5 - 04/01/2008 to 06/30/2008	6 - 01/01/2008 to 06/30/2008
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	172,343	294,620	(47,078)	51,891
3.06.01	SELLING EXPENSES	0	0	0	0
3.06.02	GENERAL AND ADMINISTRATIVE EXPENSES	(3,404)	(8,720)	(2,671)	(8,073)
3.06.03	FINANCIAL	(51,084)	(111,258)	(53,974)	(89,081)
3.06.03.01	FINANCIAL INCOME	4,275	20,655	(7,764)	687
3.06.03.02	FINANCIAL EXPENSES	(55,359)	(131,913)	(46,210)	(89,768)
3.06.04	OTHER OPERATING INCOME	1,121	3,537	3,101	10,085
3.06.05	OTHER OPERATING EXPENSES	(22)	(44)	(99,899)	(178,119)
3.06.06	EQUITY IN EARNINGS OF SUBSIDIARY AND ASSOCIATED COMPANIES	225,732	411,105	106,365	317,079
3.07	OPERATING RESULT	172,343	294,620	(47,078)	51,891
3.08	NON OPERATING INCOME (LOSS)	0	0	0	0

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3.08.01	REVENUES	0	0	0	0
3.08.02	EXPENSES	0	0	0	0
3.09	LOSS BEFORE TAXES AND PROFIT SHARING	172,343	294,620	(47,078)	51,891
3.10	PROVISION FOR INCOME AND SOCIAL CONTRIBUTION TAXES	1,296	1,296	(17,396)	(17,396)
3.11	DEFERRED INCOME TAX	(1,232)	0	27	(16)
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	172,407	295,916	(64,447)	34,479
	NUMBER OF SHARES, EX-TREASURY (THOUSAND)	373,216	373,216	1,469,582	1,469,582
	EARNINGS PER SHARE	0.46195	0.79288		0.02346
	LOSS PER SHARE			(0.04385)	

**04.01—STATEMENT OF CASH FLOW (IN THOUSANDS OF REAIS)**

1 - CODE	2 - DESCRIPTION	3 - 04/01/2009 to 06/30/2009	4 - 01/01/2009 to 06/30/2009	5 - 04/01/2008 to 06/30/2008	6 - 01/01/2008 to 06/30/2008
4.01	CASH INVESTED IN OPERATING ACTIVITIES	(2,205)	(5,157)	1,353	(7,934)
4.01.01	ADJUSTMENTS TO RECONCILE THE NET PROFIT FOR THE PERIOD WITH FUNDS FROM THE OPERATING ACTIVITIES	(52,879)	(114,125)	(69,533)	(101,726)
4.01.01.01	NET PROFIT FOR THE PERIOD	172,407	295,916	(63,080)	34,479
4.01.01.02	EQUITY INTEREST	(225,732)	(411,105)	(107,732)	(317,079)
4.01.01.03	DEPRECIATION AND AMORTIZATION	1	1	99,629	177,555
4.01.01.04	GAIN ON INVESTMENTS	0	(1,935)	0	0
4.01.01.05	LOSSES ON FORWARD AND SWAPS CONTRACTS	1,493	5,251	5,940	7,947
4.01.01.06	GAINS ON LOANS, FINANCING AND DEBENTURES	0	0	(4,129)	(4,990)
4.01.01.07	PROVISIONS (REVERSAL) FOR CONTINGENCIES	(18)	(159)	212	510
4.01.01.08	PROVISIONS REVERSAL FOR SUPPLIERS	(979)	(811)	(346)	(164)
4.01.01.09	PROVISIONS FOR TAXES, FEES AND CONTRIBUTIONS	13	13	0	0

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4.01.01.10	DEFERRED INCOME TAX	(64)	(1,296)	(27)	16
4.01.02	VARIATIONS ON ASSETS AND LIABILITIES	50,674	108,968	70,886	93,792
4.01.02.01	DEFERRED TAXES AND TAX CREDITS	(453)	32,311	(7,916)	6,806
4.01.02.02	OTHER CURRENT AND NON-CURRENT ASSETS	(944)	(1,920)	2,689	(2,484)
4.01.02.03	LABOR, PAYROLL CHARGES AND BENEFITS	30	(205)	(1,203)	(1,476)
4.01.02.04	SUPPLIERS AND ACCOUNTS PAYABLE	(383)	(522)	546	703
4.01.02.05	INTEREST ON LOANS, FINANCING AND DEBENTURES	52,446	123,949	44,033	86,034
4.01.02.06	TAXES, FEES AND CONTRIBUTIONS	12	(44,535)	33,680	10,737
4.01.02.07	PROVISIONS FOR CONTINGENCIES	(6)	(3)	(146)	(184)
4.01.02.08	OTHER CURRENT AND NON-CURRENT LIABILITIES	(28)	(107)	(797)	(6,344)
4.02	CASH GENERATED FROM INVESTMENTS ACTIVITIES	260,585	429,944	54,093	105,321
4.02.01	ADDITIONS TO INVESTMENT	0	0	(1,241,686)	(1,241,686)
4.02.02	RECEIPT OF DIVIDENDS AND INTEREST ON SHAREHOLDERS' EQUITY	260,585	429,944	1,295,779	1,347,007
4.03	CASH GENERATED FROM (INVESTED IN) FINANCING ACTIVITIES	(649,432)	(430,786)	(55,453)	(111,155)
4.03.01	FUNDING FROM LOANS, FINANCING AND DEBENTURES	0	210,000	0	0
4.03.02	REPAYMENT OF LOANS, FINANCING AND DEBENTURES	(550,000)	(550,000)	(54,600)	(78,705)
4.03.03	PAYMENTS OF INTEREST ON LOANS, FINANCING AND DEBENTURES	(99,293)	(99,293)	0	(29,022)
4.03.04	RECEIPT OF FORWARD AND SWAPS CONTRACTS	0	0	0	(939)
4.03.05	PROCEEDS FROM MINORITY CAPITAL INCREASE	0	8,842	0	0
4.03.06	PAYMENT OF STOCK REVERSE SPLIT	(127)	(307)	(185)	(363)
4.03.07	PAYMENT OF DIVIDEDS AND INTEREST ON SHAREHOLDERS' EQUITY	(12)	(28)	(668)	(2,126)
4.05	INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(391,052)	(5,999)	(7)	(13,768)



4.05.01	INITIAL ALANCE	0	10,706	0	13,793
4.05.02	FINAL BALANCE	(391,052)	4,707	(7)	25

**05.01—STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 04/01/2009 TO 06/30/2009 (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 MARCH 31, 2009	6,900,422	518,678	848,427	123,509	8,391,036
5.04	NET PROFIT FOR THE PERIOD	0	0	0	172,407	172,407
5.08	CAPITAL INCREASE OUT OF RESERVES, AS PER AGE 02.12.09	0	0	0	0	0
5.08.01	CAPITAL INCREASE OUT OF RESERVES, AS PER AGE 02.12.09	0	0	0	0	0
5.13	BALANCES AT JUNE 30, 2009	6,900,422	518,678	848,427	295,916	8,563,443

**05.02—STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 01/01/2009 TO 06/30/2009 (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	295,916	295,916
5.08	CAPITAL INCREASE/ OUT OF RESERVES, AS PER AGE 02.12.09	189,896	(189,896)	0	0	0
5.08.01	CAPITAL INCREASE OUT	189,896	(189,896)	0	0	0

	OF RESERVES, AS PER AGE 02.12.09					
5.13	BALANCES AT JUNE 30, 2009	6,900,422	518,678	848,427	295,916	8,563,443

**08.01—BALANCE SHEET—CONSOLIDATED ASSETS (IN THOUSANDS OF REAIS)**

1 - CODE	2 - ACCOUNT DESCRIPTION	3 - 06/30/2009	4 -03/31/2009
1	TOTAL ASSETS	21,755,279	22,434,252
1.01	CURRENT ASSETS	7,349,934	7,845,608
1.01.01	CASH AND CASH EQUIVALENTS	1,708,830	1,737,316
1.01.01.01	CASH AND BANKS	1,708,830	1,737,316
1.01.02	RECEIVABLES	2,335,439	2,381,623
1.01.02.01	TRADE ACCOUNTS RECEIVABLE, NET	2,335,439	2,381,623
1.01.02.02	OTHER RECEIVABLES	0	0
1.01.03	INVENTORIES	420,963	482,735
1.01.04	OTHER	2,884,702	3,243,934
1.01.04.01	FINANCIAL INVESTMENTS AS GUARANTEE	37,780	34,262
1.01.04.02	DEFERRED AND RECOVERABLE TAXES	2,066,245	2,058,111
1.01.04.03	DERIVATIVE CONTRACTS	42,444	186,368
1.01.04.04	PREPAID EXPENSES	571,200	754,156
1.01.04.05	OTHER ASSETS	167,033	211,037
1.02	NONCURRENT ASSETS	14,405,345	14,588,644
1.02.01	LONG-TERM RECEIVABLES	3,205,961	3,172,772
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	3,202,271	3,169,082
1.02.01.03.01	FINANCIAL INVESTMENTS AS GUARANTEE	49,500	48,420
1.02.01.03.02	DEFERRED AND RECOVERABLE TAXES	2,829,940	2,769,798
1.02.01.03.03	DERIVATIVE CONTRACTS	168,478	244,813
1.02.01.03.04	PREPAID EXPENSES	55,320	63,992
1.02.01.03.05	OTHER ASSETS	99,033	42,059
1.02.02	PERMANENT ASSETS	11,199,384	11,415,872
1.02.02.01	INVESTMENTS	113	113

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	113
1.02.02.02	PROPERTY, PLANT AND EQUIPMENT	6,810,678	6,940,622
1.02.02.03	INTANGIBLE ASSETS	4,349,477	4,425,955
1.02.02.04	DEFERRED CHARGES	39,116	49,182

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

1 - CODE	2 - ACCOUNT DESCRIPTION	3 -06/30/2009	4 - 03/31/2009
2	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	21,755,279	22,434,252
2.01	CURRENT LIABILITIES	7,132,164	8,017,707
2.01.01	LOANS AND FINANCING	1,582,164	2,726,393
2.01.02	DEBENTURES	237,388	267,876
2.01.03	SUPPLIERS	3,055,031	2,912,345
2.01.04	TAXES PAYABLE	777,391	670,102
2.01.05	DIVIDENDS PAYABLE	423,459	423,166
2.01.06	PROVISIONS	91,577	95,670
2.01.07	PAYABLES TO RELATED PARTIES	3,188	5,221
2.01.08	OTHER	961,966	916,934
2.01.08.01	DERIVATIVE CONTRACTS	72,172	25,665
2.01.08.02	PAYROLL AND SOCIAL CHARGES	155,700	131,895
2.01.08.03	OTHER LIABILITIES	734,094	759,374
2.02	NONCURRENT LIABILITIES	5,435,180	5,414,059
2.02.01	LONG-TERM LIABILITIES	5,435,180	5,414,059
2.02.01.01	LOANS AND FINANCING	3,633,148	3,661,093
2.02.01.02	DEBENTURES	1,058,424	1,057,691
2.02.01.03	PROVISIONS	101,260	105,947
2.02.01.04	PAYABLES TO RELATED PARTIES	0	11
2.02.01.05	ADVANCE FOR FUTURE CAPITAL INCREASE	0	0
2.02.01.06	OTHER	642,348	589,317
2.02.01.06.01	TAXES PAYABLE	306,301	288,873
2.02.01.06.02	DERIVATIVE CONTRACTS	116,362	91,956
2.02.01.06.03	OTHER LIABILITIES	219,685	208,488
2.04	MINORITY INTEREST	624,492	611,450
2.05	SHAREHOLDERS' EQUITY	8,563,443	8,391,036

2.05.01	CAPITAL STOCK	6,900,422	6,900,422
2.05.02	CAPITAL RESERVES	518,678	518,678
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	295,916	123,509
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 - 04/01/2009 to 06/30/2009	4 - 01/01/2009 to 06/30/2009	5 - 04/01/2008 to 06/30/2008	6 - 01/01/2008 to 06/30/2008
3.01	GROSS SALES AND/OR SERVICES	5,489,522	11,083,488	5,345,497	9,952,823
3.02	DEDUCTIONS	(1,553,818)	(3,127,665)	(1,554,182)	(2,829,530)
3.03	NET SALES AND/OR SERVICES	3,935,704	7,955,823	3,791,315	7,123,293
3.04	COST OF SALES AND/OR SERVICES	(2,131,498)	(4,408,986)	(2,043,432)	(3,790,587)
3.05	GROSS PROFIT	1,804,206	3,546,837	1,747,883	3,332,706
3.06	OPERATING EXPENSES/INCOME	(1,538,620)	(3,031,358)	(1,748,564)	(3,093,837)
3.06.01	SELLING EXPENSES	(1,126,399)	(2,115,404)	(1,131,100)	(2,009,740)
3.06.02	GENERAL AND ADMINISTRATIVE EXPENSES	(341,081)	(690,047)	(346,776)	(635,219)
3.06.03	FINANCIAL	(110,237)	(259,470)	(105,599)	(162,808)
3.06.03.01	FINANCIAL INCOME	53,778	141,672	71,718	147,023
3.06.03.02	FINANCIAL EXPENSES	(164,105)	(401,142)	(177,317)	(309,831)
3.06.04	OTHER OPERATING INCOME	145,608	251,228	130,468	165,316
3.06.05	OTHER OPERATING EXPENSES	(106,421)	(217,665)	(295,557)	(451,386)
3.06.06	EQUITY IN EARNINGS OF SUBSIDIARY AND ASSOCIATED COMPANIES	0	0	0	0

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3.07	OPERATING RESULT	265,586	515,479	(681)	238,869
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	265,586	515,479	(681)	238,869
3.10	PROVISION FOR INCOME AND SOCIAL CONTRIBUTION TAXES	(37,658)	(99,324)	(23,862)	(80,648)
3.11	DEFERRED INCOME TAX	(42,479)	(94,591)	(22,031)	(107,236)
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
3.14	MINORITY INTEREST	(13,042)	(25,648)	(17,294)	(17,294)
3.15	PROFIT/LOSS FOR THE PERIOD	172,407	295,916	(63,868)	33,691
	NUMBER OF SHARES, EX-TREASURY (THOUSAND)	373,216	373,216	1,469,582	1,469,582
	EARNINGS PER SHARE	0.046195	0.79288		0.02293
	LOSS PER SHARE			(0.04346)	

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

1 - CODE	2 - DESCRIPTION	3 - 04/01/2009 to 06/30/2009	4 - 01/01/2009 to 06/30/2009	5 - 04/01/2008 to 06/30/2008	6 - 01/01/2008 to 06/30/2008
4.01	CASH GENERATED FROM OPERATING ACTIVITIES	1,616,259	2,235,475	2,175,141	2,243,066
4.01.01	ADJUSTMENTS TO RECONCILE THE NET PROFIT FOR THE PERIOD WITH FUNDS FROM THE OPERATING ACTIVITIES	1,252,252	2,430,502	935,204	1,884,495
4.01.01.01	NET PROFIT FOR THE PERIOD	172,407	295,916	(63,868)	33,691
4.01.01.02	MINORITY INTEREST	13,042	25,648	17,294	17,294
4.01.01.03	DEPRECIATION AND AMORTIZATION	821,890	1,626,743	736,737	1,401,510
4.01.01.04	RESIDUAL COST OF WRITTEN-OFF FIXED ASSET	46	380	38,184	38,099
4.01.01.05	REVERSAL OF PROVISIONS FOR LOSS ON INVENTORIES	(13,895)	(6,195)	(17,621)	(15,009)
4.01.01.06	WRITTING-OFFS IN INVENTORIES	347	435	1,906	1,524
4.01.01.07		257,933	363,332	324,886	270,165

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	LOSSES ON FORWARD AND SWAP CONTRACTS				
4.01.01.08	GAINS ON, LOANS, FINANCING AND DEBENTURES	(222,879)	(280,794)	(262,821)	(181,461)
4.01.01.09	MONETARY VARIATIONS	(7,836)	(6,017)	(8,731)	(5,806)
4.01.01.10	ALLOWANCES FOR DOUBTFUL ACCOUNTS	65,275	142,847	90,828	172,542
4.01.01.11	POST-EMPLOYMENTS BENEFIT PLANS	611	1,222	363	464
4.01.01.12	PROVISIONS (REVERSAL) FOR CONTINGENCIES	34,123	69,805	52,918	86,093
4.01.01.13	PROVISIONS REVERSAL FOR SUPPLIERS	(16,308)	(65,522)	(22,905)	(89,669)
4.01.01.14	PROVISIONS (REVERSAL) FOR DISPOSAL OF ASSETS	10,184	14,975	16,885	27,706
4.01.01.15	PROVISIONS FOR, TAXES, FEES AND CONTRIBUTIONS	2,423	63,812	5,679	10,679
4.01.01.16	PROVISIONS (REVERSAL) FOR LOYALTY PROGRAM	(8,211)	(11,327)	5,184	11,182
4.01.01.17	PROVISIONS FOR LOSSES ON INVESTMENTS	0	0	60	60
4.01.01.18	DEFERRED INCOME TAX	143,100	195,212	20,226	105,431
4.01.02	VARIATIONS ON ASSETS AND LIABILITIES	364,007	(195,027)	1,239,937	358,571
4.01.02.01	ACCOUNTS RECEIVABLE	(19,091)	100,212	(154,569)	(85,209)
4.01.02.02	INVENTORIES	75,320	363,471	(112,989)	(123,470)
4.01.02.03	DEFERRED TAXES AND TAX CREDITS	(266,089)	(52,283)	(84,134)	(171,853)
4.01.02.04	OTHER CURRENT AND NON-CURRENT ASSETS	174,060	(128,683)	88,726	(219,025)
4.01.02.05	LABOR, PAYROLL CHARGES AND BENEFITS	23,805	(29,771)	30,012	(32,154)
4.01.02.06	SUPPLIERS AND ACCOUNTS PAYABLE	158,994	(605,770)	373,660	(202,600)
4.01.02.07	INTEREST ON LOANS, FINANCING AND DEBENTURES	147,772	332,843	97,003	180,381
4.01.02.08	TAXES, FEES AND CONTRIBUTIONS	130,029	(35,050)	61,211	97,001
4.01.02.09	PROVISIONS FOR CONTINGENCIES	(43,077)	(70,443)	(48,797)	(63,878)
4.01.02.10	OTHER CURRENT AND NON-CURRENT LIABILITIES	(17,716)	(69,553)	989,814	979,378

4.01.03	OTHERS	0	0	0	0
4.02	CASH INVESTED IN INVESTMENT ACTIVITIES	(605,449)	(1,146,098)	(2,380,007)	(2,635,046)
4.02.01	ADDITIONS TO FIXED AND INTANGIBLE ASSETS	(607,054)	(1,144,917)	(1,551,667)	(1,806,194)
4.02.02	ADDITIONS TO DEFERRED ASSETS	0	(3,341)	(7,000)	(9,113)
4.02.03	ADDITIONS TO INVESTMENT	0	0	(1,766,981)	(1,766,981)
4.02.04	CASH OF THE AQUISICION OF THE COMPANIES	0	0	942,171	942,171
4.02.05	PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	1,605	2,160	3,470	5,071
4.03	CASH GENERATED FROM (INVESTED IN) FINANCING ACTIVITIES	(1,039,296)	(1,563,460)	561,902	740,974
4.03.01	FUNDING FROM LOANS, FINANCING AND DEBENTURES	124,571	334,571	1,280,000	1,827,862
4.03.02	REPAYMENT OF LOANS, FINANCING AND DEBENTURES	(1,076,597)	(1,627,189)	(220,888)	(490,494)
4.03.03	PAYMENT OF INTEREST ON LOANS, FINANCING AND DEBENTURES	(174,796)	(251,463)	(109,770)	(167,804)
4.03.04	REPAYMENT (RECEIPT) OF FORWARD AND SWAP CONTRACTS	87,953/	95,264	(339,708)	(377,889)
4.03.05	PROCEEDS FROM MINORITY CAPITAL INCREASE	0	8,842	0	0
4.03.06	PAYMENT OF REVERSE STOCK SPLIT	(276)	(636)	(607)	(1,529)
4.03.07	PAYMENT OF DIVIDENDS AND INTEREST ON SHAREHOLDERS' EQUITY	(151)	(122,849)	(47,125)	(49,172)
4.05	DECREASE IN CASH AND CASH EQUIVALENTS	(28,486)	(474,083)	357,036	348,994
4.05.01	INITIAL BALANCE	0	2,182,913	0	2,190,990
4.05.02	FINAL BALANCE	(28,486)	1,708,830	357,036	2,539,984

**11. 01—CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 04/01/2009 TO 06/30/2009 (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 MARCH 31, 2009	6,900,422	518,678	848,427	123,509	8,391,036
5.04	NET PROFIT FOR THE PERIOD	0	0	0	172,407	172,407
5.08	CAPITAL INCREASE OUT OF	0	0	0	0	0

	RESERVES, AS PER AGE 02.12.09					
5.08.01	CAPITAL INCREASE OUT OF RESERVES, AS PER AGE 02.12.09	0	0	0	0	0
5.13	BALANCES AT JUNE 30, 2009	6,900,422	518,678	848,427	295,916	8,563,443

**11. 02—CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY 01/01/2009 TO 06/30/2009 (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	295,916	295,916
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 JUNE 30, 2009	6,900,422	518,678	848,427	295,916	8,563,443

**FEDERAL PUBLIC SERVICE**

**CVM – BRAZILIAN SECURITIES AND EXCHANGE COMMISSION**

**ITR – Quarterly Information Corporate Law**

**COMMERCIAL, INDUSTRIAL AND OTHER COMPANIES**

**BASE DATE – 06/30/2009**

**01771-0**

**VIVO PARTICIPAÇÕES S/A**

**02.558.074/0001-73**

**06.01 – EXPLANATORY NOTES**

**1. OPERATIONS**

**a. Equity Control**

Vivo Participações S/A (“Company”) is a publicly-held company that, at June 30, 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).

## **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 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. 9472, dated July 16, 1997, and respective regulations, decrees, decisions and supplementary plans.

The authorizations granted by ANATEL may be renewed just once, for a 15-year period, against payment every two years, after the first renewal, of rates equivalent to 2% (two percent) 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.

# **2. BASIS OF PREPARATION AND PRESENTATION OF THE 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. 6404/76), which include the new provisions introduced, amended and revoked by Laws no. 11.638, dated December 28, 2007 and no. 11.941, dated May 27, 2009 (former Provisional Measure no. 449, dated December 03, 2008), with further regard, also, to the rules applicable to telecommunication service concessionaires.

The requirements of the mentioned Law apply to fiscal years started as from 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 six-month period ended June 30, 2008 is presented again with the purpose of making them comparable with the Quarterly Information related to the six-month period ended June 30, 2009 (note 2b).

The consolidated income statement of the Company for the six-month period ended June 30, 2008 contemplates the consolidated income of Telemig Participações for the period from April to June 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.

The conciliation between the controlling company’s net income and the consolidated income for the six-month period ended June 30, 2008 is as follows:

Net income of Controlling Company	34,479
Forfeited interest on shareholders’ equity and dividends of the subsidiaries	(788)
Net income consolidated	33,691

Except for the accounting practice of goodwill amortization, which has not been adopted any longer since January 01, 2009, as provided for in CPC 04 – Intangible Assets, these ITRs were prepared in conformity with principles, practices and criteria which are consistent with those adopted for preparing the financial statements of the last fiscal year and must be analyzed together with the referred statements.

#### b) Effect of the adjustments of Laws nº 11.638/07 and nº 11.941/09

The table below shows the effects of the application of Laws no. 11.638/07 and no. 11.941/09 in the consolidated income statement for the six-month period ended June 30, 2008.

	Summary description of adjustment	Controlling Company	Consolidated
<b>Net profit before changes introduced by Law No. 11,638/07 and No. 11,941/09</b>		<b>30,888</b>	<b>30,100</b>
Depreciation of mercantile-financial lease	(1)	—	(2,364)
Financial income (expenses) from:			
Fair value of derivative transactions	(2)	16	(37,050)
Fair value of loans	(2)	32	48,913
Present value of monetary assets	(3)	—	(3,917)
Income tax and social contribution on total adjustments	(4)	(16)	(1,806)
Equity accounting	(5)	3,559	—
Minority interest		—	85
<b>Net effects resulting from full application of Law No. 11,638/07 and No. 11,941/09</b>		<b>3,591</b>	<b>3,591</b>

**Net profit with full application of Law No. 11,638/07 and  
No. 11,491/09****34,479 33,691**

1. Depreciation of information technology equipment mercantile-financial lease, 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 ICMS (CIAP) 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.

Additionally, on account of the elimination of the "Non-operating income", in conformity with Law no. 11.941/09, the Company has reclassified consolidated net expenses in the amount of R\$37,315 in the income statement for the six-month period ended June 30, 2008 in "Other operating revenue (expenses), net".

**3. CASH AND CASH EQUIVALENTS**

	<b>Controlling Company</b>		<b>Consolidated</b>	
	<b>06.30.09</b>	<b>03.31.09</b>	<b>06.30.09</b>	<b>03.31.09</b>
Cash	70	89	26,133	24,614
Financial investments	4,637	395,670	1,682,697	1,712,702
Total	4,707	395,759	1,708,830	1,737,316

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**

	<b>Consolidated</b>	
	<b>06.30.09</b>	<b>03.31.09</b>
Receivables from billed services	971,244	949,521
Receivables from interconnection fees	749,695	784,471
Receivables from unbilled services	646,531	672,587
Receivables from goods sold	350,367	373,691
(-) Allowance for doubtful accounts	(382,398)	(398,647)
Total	2,335,439	2,381,623

There is not any customer representing more than 10% of the net accounts receivable at June 30 and March 31, 2009, except for Telecomunicações de São Paulo S.A. – Telefônica, which represents 10.6% and 10.4% at June 30 and March 31, 2009, respectively.

At June 30, 2009, the balance of accounts receivable includes R\$208,094 (R\$233,122 at March 31, 2009) 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 debtors are as follows:

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
Balance at beginning of year	387,308	344,701
Additional allowance in the 1st half (note 21)	142,847	172,542
Write-offs and recoveries in the 1st half	(147,757)	(125,265)
Admission of allowance for doubtful accounts of Telemig Investments on 03.31.08	—	31,746
Balance at June 30	382,398	423,724
Additional allowance in the 3Q and 4Q08		131,303
Write-offs and recoveries in 3Q and 4Q08		(167,719)
Balance at year end		387,308

## 5. INVENTORIES

	<b>Consolidated</b>	
	<b>06.30.09</b>	<b>03.31.09</b>
Handsets	411,058	471,514
Simcard (chip)	29,399	43,618
Accessories and other	16,921	17,913
(-) Provision for obsolescence	(36,415)	(50,310)
Total	420,963	482,735

## 6. DEFERRABLE AND RECOVERABLE TAXES

### 6.1 Breakdown

	<b>Controlling Company</b>		<b>Consolidated</b>	
	<b>06.30.09</b>	<b>03.31.09</b>	<b>06.30.09</b>	<b>03.31.09</b>
Prepaid social contribution and income tax	549,177	534,578	748,629	697,767
ICMS tax credit	—	—	601,500	554,604
PIS and COFINS tax credits	28,529	28,529	316,497	331,444
Withholding income tax	2,410	1,385	106,752	155,596
Other tax credits	270	270	28,211	28,594
Total tax credits	580,386	564,762	1,801,589	1,768,005
Deferred income and social contribution taxes	2,873	2,810	2,854,212	2,895,129

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ICMS to be allocated	—	—	240,384	164,775
Total	583,259	567,572	4,896,185	4,827,909
Current	8,650	7,562	2,066,245	2,058,111
Noncurrent	574,609	560,010	2,829,940	2,769,798

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.

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

	<b>Consolidated</b>	
	<b>06.30.09</b>	<b>03.31.09</b>
Tax loss and negative tax basis (a)	1,157,999	1,152,149
Incorporated tax credit — reorganization (b)	708,008	808,243
Tax credits on provisions for: (c)		
Contingencies and legal liabilities — CVM 489	216,718	211,252
Accelerated depreciation	242,672	193,093
Suppliers	141,479	141,528
Doubtful accounts	130,015	135,540
Provision for disposal of and losses in fixed assets	106,661	109,851
Customer loyalty program	36,129	38,649
Provision for inventory obsolescence	12,381	17,105
Employee profit sharing	16,972	15,492
Derivative and other securities transactions	85,178	72,227
Total deferred taxes	2,854,212	2,895,129
Current	940,472	1,018,050
Noncurrent	1,913,740	1,877,079

The amount recorded in the current assets refers to reversal of temporary differences, use of tax losses and tax amortization of the goodwill 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 controlled companies, 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 and social contribution tax credit that would arise from the use of the tax bases in the amount of R\$700,447 (R\$713,775 at March 31, 2009), given the uncertainty, at this time, as to the Company's ability to generate future taxable results 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 occurs 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 referred time.

c) Temporary differences: represents the amount recorded by the controlled companies and their 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 and social contribution tax credit that would arise from the use of the provisions in the amount of R\$156,232 (R\$156,248 at March 31, 2009), given the uncertainty, at this time, as to the Company's ability to generate future taxable results to ensure realization of these deferred taxes.

The Company prepared technical 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 six-month period ended June 30, 2009, no relevant fact occurred that indicated limitations to full recovery of the deferred tax amounts recognized by the controlled companies.

## 6.2 Tax credit incorporated – Corporate Restructuring

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

Prior to the transfers, provisions were booked for maintenance of the stockholders' equity of the merged companies and, consequently, the net assets that were merged represent, essentially, the tax benefit arising out of the possibility of deduction of the incorporated premium.

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

	<b>Consolidated</b>			
	<b>06.30.09</b>			<b>03.31.09</b>
<b>Reorganization</b>	<b>Goodwill</b>	<b>Provision</b>	<b>Net</b>	<b>Net</b>
Telemig Participações S.A.—corporate reorganization	1,315,100	(867,966)	447,134	476,046
Global Telecom S.A.—Acquisition	359,285	(237,128)	122,157	131,884
Telesp Celular S.A.—Privatization	133,031	(87,800)	45,231	72,369
Tele Centro-Oeste Celular Participações S.A.—Acquisition	86,431	(57,045)	29,386	53,203
Telemig Celular S.A.—corporate reorganization	119,230	(78,692)	40,538	43,031
Tele Leste Celular Participações S.A.—Privatization	42,772	(28,230)	14,542	17,276
Telemig Participações S.A.—Privatization	26,532	(17,512)	9,020	14,434
<b>Total</b>	<b>2,082,381</b>	<b>(1,374,373)</b>	<b>708,008</b>	<b>808,243</b>

The changes in the six-month periods ended on June 30 are as follows:

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
<b>Result:</b>		
Goodwill amortization	(614,667)	(456,443)
Provision reversal	405,681	307,162
Tax credit	208,986	149,281
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).

## 7. PREPAID EXPENSES

	<b>Consolidated</b>	
	<b>06.30.09</b>	<b>03.31.09</b>
Telecommunication Inspection Fee (Fistel)	470,998	637,361
Advertising and publicity	75,982	115,691
Rent	30,862	13,360
Financial charges	8,368	9,442
Insurance premium, software and other	40,310	42,294
Total	626,520	818,148
Current	571,200	754,156
Noncurrent	55,320	63,992

## 8. OTHER ASSETS

	<b>Consolidated</b>	
	<b>06.30.09</b>	<b>03.31.09</b>
Escrow and restricted deposits and contractual pledge	167,761	109,736
Subsidies on terminal sales	42,815	35,660
Credits with suppliers	19,760	62,587
Advances to employees	17,782	17,889
Credits with group companies	12,587	13,365
Other assets	9,051	17,549
Total	269,756	256,786
Current	167,033	211,037
Noncurrent	102,723	45,749

## 9. INVESTMENTS

### a) Subsidiaries information

	<b>Shareholders' equity at</b>		<b>Net profit for fiscal year ended June, 30:</b>	
<b>Investees</b>	<b>06.30.09</b>	<b>03.31.09</b>	<b>2009</b>	<b>2008</b>
Vivo S.A.	7,393,464	7,286,049	377,279	325,621
Telemig Celular Participações S.A.	1,798,932	1,772,876	51,323	18,379(*)

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Telemig Celular S.A.	1,167,005	1,142,460	47,948	—
TCO IP S.A.	—	—	—	(13,517)

(\*) Includes the adjusted net profit of Telemig Participações (Consolidated) for the period from April to June 2008.

b) Breakdown and changes

The balance of the controlling 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:

	<b>Controlling Company</b>		<b>Consolidated</b>	
	<b>06.30.09</b>	<b>03.31.09</b>	<b>06.30.09</b>	<b>03.31.09</b>
Investments in subsidiaries	7,898,954	7,774,352	—	—
Advance for future capital increase	905,440	905,440	—	—
Other investments	104	104	113	113
Investment balance	8,804,498	8,679,896	113	113

The changes in the controlling company's investments for the six-month period ended on June 30 are as follows:

b.1) Investments in subsidiaries

	<b>06.30.09</b>	<b>06.30.08</b>
Balance the beginning of the year	7,285,216	6,090,460
Equity accounting result on net profit of the subsidiaries	411,105	317,079
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	—
Investments acquisition	—	373,423
Interim dividends and interest on shareholders' equity	(101,130)	(175,000)
Balance at June 30	7,898,954	6,605,962
Equity accounting result on net profit of the subsidiaries		632,787
Capital reduction		(700,000)
Capital increase of reserves		518,348
Minority shareholders subscription in capital increase of reserves		(8,135)
Investments acquisition		605,929
Loss generated from capital increase of reserves		(1,640)
Forfeited interest on shareholders' equity and dividends		10,218
Interest on shareholders' equity and dividends		(372,493)
Effects of Law No. 11,638/07 of Telemig Participações		(5,760)
Balance at the year end		7,285,216



b.2) Advance for future capital increase

	<b>06.30.09</b>	<b>06.30.08</b>
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 June 30	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**

<b>Consolidated</b>					
			<b>06.30.09</b>		<b>03.31.09</b>
	<b>Annual depreciation rates (%)</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Property, plant and equipment, net</b>	<b>Property, plant and equipment, net</b>
Transmission equipment	10.00 to 33.33	9,465,668	(7,113,481)	2,352,187	2,237,721
Switching equipment	10.00 to 33.33	4,314,188	(2,814,523)	1,499,665	1,547,363
Infrastructure	2.86 to 20.00	3,230,428	(1,843,493)	1,386,935	1,301,461
Terminal equipment	50.00 to 66.67	2,539,773	(2,205,757)	334,016	309,070
Buildings	2.86 to 4.00	299,467	(92,413)	207,054	208,665
Land		70,894	—	70,894	70,352
Mercantile-financial lease	20.00	21,681	(14,031)	7,650	8,925
Other assets	6.67 to 20.00	1,831,183	(1,268,094)	563,089	542,992
Properties and construction in progress		389,188	—	389,188	714,073
Total		22,162,470	(15,351,792)	6,810,678	6,940,622

In the six-month period ended June 30, 2009, Vivo capitalized financial expenses incurred in connection with loans for financing construction in progress in the amount of R\$27,389 (R\$16,819 in the same period of 2008).

At June 30, 2009, the subsidiaries had items of property, plant & and equipment offered as collateral in lawsuits in the amount of R\$106,232 (R\$109,173 at March 31, 2009).

**11. INTANGIBLE ASSETS, NET**

<b>Consolidated</b>				
		<b>06.30.09</b>		<b>03.31.09</b>
	<b>Annual amortization rates (%)</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Intangible, net</b>
				<b>Intangible, net</b>

Goodwill premium and provision for losses on investment acquisition (a)		—	2,785,572	(1,359,279)	1,426,293	1,426,293
Concession licenses	6.67 to 28.9		2,249,619	(826,636)	1,422,983	1,461,422
Software use rights	20.00		4,309,922	(2,968,313)	1,341,609	1,336,452
Goodwill premium—Ceterp Celular S.A.	10.0		84,265	(68,114)	16,151	16,151
Goodwill	(*)		32,787	(25,215)	7,572	7,718
Other assets	6.67 to 20.0		50,876	(46,639)	4,237	3,477
Intangible in progress—software			130,632	—	130,632	174,442
Total			9,643,673	(5,294,196)	4,349,477	4,425,955

(a) Goodwill resulting from acquisitions of corporate equity, based on future profitability, were 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 booked 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\$39,116 and R\$49,182 at June 30 and March 31, 2009, respectively, as permitted in Law no. 11.941/09.

## 13. SUPPLIERS AND TRADE ACCOUNTS PAYABLE

	Consolidated	
	06.30.09	03.31.09
Suppliers	2,256,526	2,082,386
Amounts to be transferred LD (a)	361,303	370,816
Interconnection / linking	244,852	238,641
Technical assistance	147,517	166,022
Other	44,833	54,480
Total	3,055,031	2,912,345

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

## 14. TAXES, FEES AND CONTRIBUTIONS PAYABLE

**Consolidated****06.30.09      03.31.09***Current taxes:*

ICMS	713,081	625,001
PIS and COFINS	93,533	100,933
Income tax and social contribution	133,996	93,902
FISTEL	64,023	58,376
FUST and FUNTTEL	10,351	10,580
Other taxes, fees and mandatory contributions	15,767	16,475
Total	1,030,751	905,267

*Legal liabilities (CVM 489/05):*

CIDE	21,946	23,500
PIS and COFINS	21,412	21,167
Other taxes, fees and mandatory contributions	9,583	9,041
Total	52,941	53,708
Total	1,083,692	958,975
Current	777,391	670,102
Noncurrent	306,301	288,873

Current Taxes:

At June 30, 2009, the amount of R\$246,409 (R\$230,057 at March 31, 2009) out of 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 financial statements, the amounts of judicial deposits for said taxes are offset against taxes, fees and mandatory contributions payable, as applicable.

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, the Management recorded the amount of R\$24,671, at June 30 and at March 31, 2009, having deposited the same amount in court.

Law n° 9.718/98

At November 27, 1998, the calculation of PIS and COFINS was changed by Law no. 9718, 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.

By reason of the changes introduced by laws no. 10.647/02 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 June 30, 2009, Vivo has provisions booked for the amounts of the revenues in excess of the total sales, under discussion in court, in the amount of R\$10,303 (R\$10,557 at March 31, 2009), having deposited the amount of R\$2,496 in court (R\$2,496 at March 31, 2009).

Other

Additionally, the subsidiaries booked amounts of R\$13,605 at June 30, 2009 (R\$13,106 at March 31, 2009) with respect to other discussions of PIS and COFINS.

b) 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\$80,558, (R\$81,134 at March 31, 2009), having deposited in court the amount of R\$58,612 (R\$57,634 at March 31, 2009).

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 controlled company has booked a provision for this contingency. The provision recorded at June 30, 2009 was in the amount of R\$395,932 (R\$386,274 at March 31, 2009), with corresponding deposits in court in the same amount.

d) IRRF on payments of Interest on Own Capital – Telemig Celular Participações

Telemig Participações filed Writs of Mandamus requesting the court to declare its right not to be assessed IRRF (Withholding Income Tax) at source on its receipts of interest on own capital 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 June 30, 2009 a provision was booked and deposits were made in court, totaling R\$20,745 (R\$20,314 at March 31, 2009).

e) Other taxes, fees and contributions

At June 30, 2009, the subsidiaries recorded the amount of R\$9,583 (R\$9,041 at March 31, 2009), referring to values related to the discussions of: (i) ISS tax on personal property lease services, ancillary activities and supplementary services (R\$5,411); (ii) IRPJ (Corporate Income Tax) on derivative transactions (R\$2,107); (iii) INSS (Social Security) (R\$808), and (iv) ICMS tax (R\$1,257).

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

**Consolidated**

	<b>Legal liabilities</b>	<b>(-) Escrow deposits</b>	<b>Total</b>
Balances at 12.31.08	481,917	(428,763)	53,154
Additions, net of reversal	63,813	(64,744)	(931)
Monetary restatement	9,525	(8,807)	718
Transfers	142	(142)	—
Balances at 06.30.09	555,397	(502,456)	52,941

**15. LOANS, FINANCING AND DEBENTURES**a) Debt breakdowna.1) Loans and financing

Description	Currency	Interest	Maturity	Company		Consolidated	
				06.30.09	03.31.09	06.30.09	03.31.09
Banco Europeu de Investimentos—BEI	USD	4.18% a.a. to 4.47% a.a.	08/28/2009 to 03/02/15	—	—	677,415	775,361
Working Capital	R\$	—		—	—	—	262,297
Resolution 2770	R\$	IGP-M + 9.45% a.a. 2.00%	2/9/2010	—	—	168,076	163,954
Resolution 2770	JPY	to 5.78% a.a.	07/10/09 to 01/18/11	—	—	505,965	885,706
Resolution 2770	USD	5.0% to 5.94% a.a.	07/23/09 to 07/23/10	—	—	140,425	156,563
BNDES	URTJLP	TJLP + 4.3% a.a. to 4.6% a.a.	07/15/09 to 08/15/14	—	—	1,415,213	1,418,042
BNDES	UMBND	8,80% a.a.	07/15/09 to 07/15/11	—	—	6,353	8,506
Banco do Nordeste do Brasil—BNB	R\$	10% a.a.	07/29/09 to 10/30/16	—	—	469,253	353,306
Promissory Notes	R\$	106.5% CDI	07/24/09	560,144	1,126,503	560,144	1,126,503
Funding 3G Licenses	R\$	IST + 1% a.m.	04/29/11 to 04/29/16	—	—	1,272,147	1,236,911
Commissions BBVA		0.4256% a.a.	08/28/09 to 02/28/15	—	—	225	241

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Others	—	—	96	96
Total	560,144	1,126,503	5,215,312	6,387,486
Current	560,144	1,126,503	1,582,164	2,726,393
Noncurrent	—	—	3,633,148	3,661,093

a.2) Debentures

Description	Currency	Interest	Maturity	Company		Consolidated	
				06.30.09	03.31.09	06.30.09	03.31.09
Debentures	R\$	104.2% to 120.0% CDI	05/04/15	1,015,996	1,015,996	1,052,318	1,052,318
Debentures	R\$	IPCA + 0.5% a.a	07/05/21	—	—	58,424	57,691
Debentures	R\$	113.55% CDI	01/11/10	221,392	215,558	221,392	215,558
Total				1,237,388	1,267,876	1,295,812	1,325,567
Current				237,388	267,876	237,388	267,876
Noncurrent				1,000,000	1,000,000	1,058,424	1,057,691

b) Repayment schedule

At June 30, 2009, the maturities of the long-term portion of loans and financing are as follows:

Year	Controlling Company	Consolidated
2011	—	290,452
2012	—	630,984
2013	—	591,184
2014	—	589,507
After 2014	1,000,000	2,589,445
Total	1,000,000	4,691,572

c) Loan covenants

Vivo has loans and financing borrowed from Banco Nacional de Desenvolvimento Econômico e Social (BNDES), the balance of which at June 30, 2009 was R\$1,421,566 (R\$1,426,548 at March 31, 2009). 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 controlled company's (Vivo) instruments, 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 June 30, 2009, all covenants were fulfilled by Telemig Celular.

d) Guarantees

At June 30, 2009, guarantees were granted for Vivo's loans and financing, in local currency, in the principal amount of R\$2,568,234, being R\$469,253 from Banco do Nordeste do Brasil – BNB, R\$1,415,213 from BNDES (URTJLP), and R\$6,353 from BNDES (UMBNDDES) and R\$677,415 from BEI according to the table below:

<b>Banks</b>	<b>Guarantees</b>
BNDES	<ul style="list-style-type: none"> <li>• Contract (Vivo) R\$1,376,784: Guarantee in receivables referring to 15% of the outstanding balance or four (4) times the amount of the highest installment, whichever is higher.</li> <li>• Contract (Vivo) R\$44,782: pledging of 15% of the receivables for service revenue.</li> <li>• The Company is the guarantor/intervening party.</li> </ul>
Banco Europeu de Investimento—BEI	<ul style="list-style-type: none"> <li>• Commercial risk secured by Banco BBVA Portugal.</li> </ul>
Banco do Nordeste do Brasil S.A.	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Bank security granted by Banco Bradesco S.A. in the amount equivalent to 100% of the outstanding balance of the financing.</li> <li>• The Company is the guarantor/intervening party.</li> </ul>

e) Promissory Notes

4th Issue

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 as from this offer were used for settlement of the principal amount of the debt represented by the 1st (first) issue of debentures of the Company.

5th Issue

On May 11, 2009, 22 unsecured promissory notes were settled on the maturity date, in the value of R\$25 million each, totaling R\$550 million, bearing interests of 115.0%.

f) Debentures

f.1) Fund raising by the company

2nd Issue

Within the scope of the First Securities Distribution Program in the amount of R\$2 billion, announced on August 20, 2004, the Company issued debentures in the amount of R\$1 billion, on May 01, 2005, with a term of ten years, counted as from the issue date, that is, May 01, 2005.

The Offering consisted of the issue in two series, being R\$ 200 million in the first series, and R\$800 million in the second series, with final maturity on May 1, 2015. The debentures accrue interest, payable on a semiannual basis, corresponding to 120.0% (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.

In May 2009, the debentures of the 1st Series of the 2nd issue, as approved by the Board of Directors of the Company on March 30, 2009, were rescheduled. The new Effective Term of 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 this second term of remuneration, the debentures of the 1st Series of the 2nd Issue of the Company shall be entitled to a remuneration of 120.0% of the average rate of the one-day Interfinancial Deposits – the DI over extra-group rate, calculated in accordance with 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.

Rescheduling of the debentures remuneration is expected to occur on May 01, 2011