

TELE NORTE CELULAR PARTICIPACOES SA  
Form 6-K  
June 27, 2008

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**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

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**FORM 6-K**

**REPORT OF FOREIGN ISSUER**  
**PURSUANT TO RULE 13a-16 OR 15d-16 OF THE**  
**SECURITIES EXCHANGE ACT OF 1934**

**For the month of June, 2008**

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**TELE NORTE CELULAR PARTICIPAÇÕES S.A.**  
*(Exact name of Registrant as specified in its Charter)*

**TELE NORTE CELLULAR HOLDING COMPANY**  
*(Translation of Registrant's name into English)*

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**Rua Levindo Lopes, 258 - Funcionários**  
**Cep: 30.140-170 - Belo Horizonte - MG, Brazil**

*(Address of Principal Executive Offices)*

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

**Form 20-F:**  **Form 40-F:**

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)):

**Yes:**  **No:**

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7)):

**Yes:**  **No:**

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

**Yes:**  **No:**



**FEDERAL PUBLIC SERVICE  
CVM - BRAZILIAN SECURITIES COMMISSION  
QUARTERLY INFORMATION - ITR  
COMMERCIAL, INDUSTRY & OTHER TYPES OF COMPANY**

Corporate Law  
March 31, 2008

**REGISTRATION WITH CVM SHOULD NOT BE CONSTRUED AS AN EVALUATION OF THE COMPANY.  
COMPANY MANAGEMENT IS RESPONSIBLE FOR THE INFORMATION PROVIDED.**

**01.01 - IDENTIFICATION**

1 - CVM CODE 01760-4	2 - COMPANY NAME TELE NORTE CELULAR PARTICIPAÇÕES S.A.	3 - CNPJ (Corporate Taxpayer s ID) 02.558.154/0001-29
4 - NIRE (Corporate Registry ID) 53.300.005.761		

**01.02 - HEADQUARTERS**

1 - ADDRESS Rua Levindo Lopes, 258 - 8 <sup>th</sup> floor		2 - DISTRICT Funcionários		
3 - ZIP CODE 30140-170	4 - CITY Belo Horizonte		5 - STATE MG	
6 - AREA CODE 31	7 - TELEPHONE 9933-3077	8 - TELEPHONE -	9 - TELEPHONE -	10 - TELEX -
11 - AREA CODE 31	12 - FAX 9933-3152	13 - FAX -	14 - FAX -	
15 - E-MAIL				

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

1- NAME José Luiz Magalhães Salazar				
2 - ADDRESS Rua Humberto de Campos, 425			3 - DISTRICT Leblon	
4 - ZIP CODE 22430-190	5 - CITY Rio de Janeiro		6 - STATE RJ	
7 - AREA CODE 21	8 - TELEPHONE 3131-1123	9 - TELEPHONE -	10 - TELEPHONE -	11 - TELEX
12 - AREA CODE 21	13 - FAX 3131-1123	14 - FAX -	15 - FAX	
16 - E-MAIL jls@oi.net.br				

**01.04 - ITR REFERENCE AND AUDITOR INFORMATION**

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CURRENT YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 - BEGINNING	2 - END	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
01/01/2008	12/31/2008	1	01/01/2008	03/31/2008	4	10/01/2007	12/31/2007
<b>09 - INDEPENDENT ACCOUNTANT</b> Deloitte Touche Tohmatsu Auditores Independentes					<b>10 - CVM CODE</b> 00385-9		
<b>11 - TECHNICIAN IN CHARGE</b> Paulo Roberto Marques Garrucho					<b>12 - TECHNICIAN S CPF (INDIVIDUAL TAXPAYER REGISTER)</b> 373.525.127-72		

**01.05 - CAPITAL STOCK**

Number of Shares (in thousands)	1 - CURRENT QUARTER 03/31/2008	2 - PREVIOUS QUARTER 12/31/2007	3 - SAME QUARTER, PREVIOUS YEAR 03/31/2007
<b>Paid-up Capital</b>			
1 Common	2,493	2,493	124,623,842
2 Preferred	4,209	4,209	210,460,313
3 Total	6,702	6,702	335,084,155
<b>Treasury Stock</b>			
4 Common	0	0	0
5 Preferred	0	0	0
6 Total	0	0	0

**01.06 - COMPANY PROFILE**

<b>1 - TYPE OF COMPANY</b> Commercial, Industry and Other Types of Company
<b>2 - STATUS</b> Operational
<b>3 - NATURE OF OWNERSHIP</b> National Holding
<b>4 - ACTIVITY CODE</b> 1130 Telecommunications
<b>5 - MAIN ACTIVITY</b> Cellular Mobile Telephone
<b>6 - CONSOLIDATION TYPE</b> Total
<b>7 - TYPE OF REPORT OF INDEPENDENT AUDITORS</b> Unqualified

**01.07 - COMPANIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS**

1 - ITEM	2 - CNPJ (Corporate Taxpayer s ID)	3 - COMPANY NAME

**01.08 - CASH DIVIDENDS APPROVED AND/OR PAID DURING AND AFTER THE QUARTER**

1 - ITEM	2 - EVENT	3 - APPROVAL	4 - TYPE	5 - DATE OF PAYMENT	6 - TYPE OF SHARE	7 - AMOUNT PER SHARE
01	AGO/E	03/28/2008	Dividend	04/14/2008	Preferred	0.7596700000

**01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR**

1	ITEM	2 - DATE OF CHANGE	3 - CAPITAL STOCK (in thousands of Reais)	4 - AMOUNT OF CHANGE (in thousands of Reais)	5 - NATURE OF CHANGE	7 - NUMBER OF SHARES ISSUED (Thousands)	8 - SHARE PRICE WHEN ISSUED (in Reais)
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**01.10 - INVESTOR RELATIONS OFFICER**

1	DATE	2	SIGNATURE
	04/24/2008		

**02.01 - BALANCE SHEET - ASSETS (in thousands of Reais)**

1 CODE	2 DESCRIPTION	3 03/31/2008	4 12/31/2007
1	Total Assets	117,427	113,403
1.01	Current Assets	15,139	15,527
1.01.01	Cash and Cash Equivalents	14,199	14,979
1.01.01.01	Cash and Cash Equivalents	35	115
1.01.01.02	Short Term Investments	14,164	14,864
1.01.02	Credits	0	0
1.01.02.01	Customers	0	0
1.01.02.02	Miscellaneous Credits	0	0
1.01.03	Inventories	0	0
1.01.04	Others	940	548
1.02	Non-current assets	102,288	97,876
1.02.01	Long Term Receivables	3,242	2,786
1.02.01.01	Miscellaneous Credits	2,689	2,591
1.02.01.01.01	PIS and COFINS Recoverable Law 9718/98	1,533	1,515
1.02.01.01.02	Income Tax and Social Contribution Recoverable	1,156	1,076
1.02.01.01.03	Other Taxes Recoverable	0	0
1.02.01.02	Credits with Related Parties	497	138
1.02.01.02.01	Affiliates	0	0
1.02.01.02.02	Subsidiaries	0	0
1.02.01.02.03	Other Related Parties	497	138
1.02.01.03	Others	56	57
1.02.02	Permanent Assets	99,046	95,090
1.02.02.01	Investments	99,046	95,090
1.02.02.01.01	In Affiliates	0	0
1.02.02.01.02	In Affiliates/Goodwill	0	0
1.02.02.01.03	In Subsidiaries	99,046	95,090
1.02.02.01.04	In Subsidiaries/Goodwill	0	0
1.02.02.01.05	Other Investments	0	0
1.02.02.02	Property, Plant and Equipment	0	0
1.02.02.03	Intangible	0	0
1.02.02.04	Deferred Charges	0	0

**02.02 - BALANCE SHEET - LIABILITIES (in thousands of Reais)**

1 - CODE	2 DESCRIPTION	3 03/31/2008	4 12/31/2007
2	Total Liabilities	117,427	113,403
2.01	Current Liabilities	25,564	25,215
2.01.01	Loans and Financing	4,917	4,980
2.01.02	Debentures	0	0
2.01.03	Suppliers	550	341
2.01.04	Taxes, Charges and Contributions	0	0
2.01.05	Dividends Payable	3,297	3,297
2.01.06	Provisions	24	0
2.01.07	Debts with Related Parties	0	0
2.01.08	Other	16,776	16,597
2.01.08.01	Accounts Payable and other provisions	24	25
2.01.08.02	Accounts Payable hedge operations	2,791	2,516
2.01.08.03	Reverse Share Split	13,947	14,041
2.01.08.04	Other Liabilities	14	15
2.02	Non-current assets	25	59
2.02.01	Long Term Liabilities	25	59
2.02.01.01	Loans and Financing	0	0
2.02.01.02	Debentures	0	0
2.02.01.03	Provisions	0	0
2.02.01.04	Debts with Related Parties	25	59
2.02.01.05	Advance for Future Capital Increase	0	0
2.02.01.06	Others	0	0
2.02.01.06.01	Accounts Payable Hedge Operations	0	0
2.02.02	Deferred Income	0	0
2.04	Shareholders Equity	91,838	88,129
2.04.01	Paid-in Capital	84,851	84,851
2.04.02	Capital Reserves	0	0
2.04.03	Revaluation Reserves	0	0
2.04.03.01	Own Assets	0	0
2.04.03.02	Subsidiaries/Affiliates	0	0
2.04.04	Profit Reserves	160	160
2.04.04.01	Legal	160	160
2.04.04.02	Statutory	0	0
2.04.04.03	For Contingencies	0	0
2.04.04.04	Realizable Profits	0	0
2.04.04.05	Profit Retention	0	0
2.04.04.06	Special for Non-Distributed Dividends	0	0
2.04.04.07	Other Profit Reserves	0	0
2.04.05	Retained Earnings/Accumulated Losses	6,827	3,118
2.04.06	Advance for Future Capital Increase	0	0





**03.01 - STATEMENT OF INCOME (in thousands of Reais)**

1 - CODE	2 DESCRIPTION	3 01/01/2008 to 03/31/2008	4 01/01/2008 to 03/31/2008	5 01/01/2007 to 03/31/2007	6 01/01/2007 to 3/ 31/2007
3.01	Gross Revenue from Sales and/or Services	0	0	0	0
3.02	Gross Revenue Deductions	0	0	0	0
3.03	Net Revenue from Sales and/or Services	0	0	0	0
3.04	Cost of Goods and/or Services Sold	0	0	0	0
3.05	Gross Profit	0	0	0	0
3.06	Operating Expenses/Revenue	3,709	3,709	(5,593)	(5,593)
3.06.01	Selling	0	0	0	0
3.06.02	General and Administrative	(514)	(514)	(198)	(198)
3.06.03	Financial	267	267	(117)	(117)
3.06.03.01	Financial Income	492	492	140	140
3.06.03.02	Financial Expenses	(225)	(225)	(257)	(257)
3.06.04	Other Operating Revenues	0	0	0	0
3.06.05	Other Operating Expenses	0	0	0	0
3.06.06	Equity in Subsidiary and Affiliated Companies	3,956	3,956	(5,278)	(5,278)
3.07	Operating Income	3,709	3,709	(5,593)	(5,593)
3.08	Non-Operating Income	0	0	0	0
3.08.01	Revenues	0	0	0	0
3.08.02	Expenses	0	0	0	0
3.09	Income Before Taxes/Profit Sharing	3,709	3,709	(5,593)	(5,593)
3.10	Provision for Income Tax and Social Contribution	0	0	0	0
3.11	Deferred Income Tax	0	0	0	0
3.12	Profit Sharing/Statutory Contributions	0	0	0	0
3.12.01	Employee Profit Sharing	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Shareholders Equity	0	0	0	0

**03.01 - STATEMENT OF INCOME (in thousands of Reais)**

1 - CODE	2 DESCRIPTION	3 01/01/2008 to 03/31/2008	4 01/01/2008 to 03/31/2008	5 01/01/2007 to 03/31/2007	6 01/01/2007 to 3/ 31/2007
3.15	Net Income/Loss for the Period	3,709	3,709	(5,593)	(5,593)
	NUMBER OF SHARES, EX-TREASURY (in thousands)	6,702	6,702	335,084,155	335,084,155
	EARNINGS PER SHARE	0.55342	0.55342		
	LOSS PER SHARE			(0.00002)	(0.00002)

## 04.01 - NOTES TO THE FINANCIAL STATEMENTS

### 1 Operations

(a) Tele Norte Celular Participações S.A. (the Company) is a publicly-held corporation, operating as holding of Amazonia Celular S.A. Its equity interest in the operating subsidiary on March 31, 2008 and December 31, 2007 was 89.78% of voting capital and 74.96% of the total capital.

The Company's subsidiary holds five authorizations to provide cellular mobile services and all the activities necessary or useful to carry out these services, in conformity with the aforementioned authorizations in the States of Amapá, Amazonas, Maranhão and Roraima.

The services offered and the rates charged by the Subsidiary are regulated by the National Telecommunications Agency -ANATEL, the regulatory authority for the Brazilian telecommunications industry, according to the General Law of Telecommunications and respective regulations.

On February 19, 2004, the Subsidiary and ANATEL signed Authorization Instruments for migration to the Personal Mobile Service (SMP), which took effect as from the publication of Act 42,671 in the Federal Official Gazette on March 1, 2004.

The SMP authorizations granted to the Subsidiary are effective for an undefined term. The radio frequency authorizations have the following maturities:

<b>Region / Sector</b>	<b>Maturity</b>
<b>Region 1 - radio frequencies of 800 MHz, 900 MHz and 1800 MHz</b>	
Sector 13 - Maranhão	April, 2009
Sector 14 - Pará	March, 2009
Sector 15 - Amapá	May, 2009
Sector 16 - Amazonas	August, 2009
Sector 17 - Roraima	July, 2009

The radio frequency authorizations may be renewed for an additional 15-year term, and the extensions are granted on a remunerated basis. On August 16, 2006, the Subsidiary filed in ANATEL a request to obtain the extension of the right to use the radio frequencies associated to the authorization instrument of the personal mobile service. The request for extension is under analysis by ANATEL.

(b) The Subsidiary has been presenting negative net working capital. In view of that, the Subsidiary's management has implemented several actions with the purpose of improving its financial efficiency trying to enhance its services revenue and to reduce costs and expenses, as a means of ensuring the improvement in operating margin of the Subsidiary.

In February, 2007 the Call Centers of Amazônia Celular S.A. and of the related company on March 31, 2008, Telemig Celular S.A., were integrated and started to operate uniquely in Belo Horizonte (Telemig Celular's Head Office). This measure follows a trend in the national market, where the carriers seek to concentrate their call centers in large Relationship Centers, providing standardization and scale economy. As a result of this integration, the Company's

headcount was reduced in approximately 370 employees.

On October 2007, the Subsidiary launched *Poupo* product, a telephone that may be used at home, at work or anywhere that has a power outlet, at no cost, without need of a specialized technical visit or specific telephone inlet and with competitive fares as compared to the fixed telephony carriers.

Additionally, the Subsidiary has been reassessing its investment needs with the purpose to maintain its financial balance. The results of these actions have made possible the obtaining of resources with financial institutions and the extension of maturity dates of its loans and financing. In March, 2007 the Subsidiary obtained a loan with Banco ABN AMRO Real in the amount of US\$48.6 million. In the third quarter 2007, at its own discretion, the Subsidiary anticipated the settlement of a portion of the principal amount of the loan obtained with Banco ABN AMRO Real in the amount of US\$5.8 million.

In the second quarter 2007, the Subsidiary, also at its own discretion, performed the early settlement of the financings obtained with Unibanco/NIB and Unibanco/Nordea.

Consequently, the Subsidiary has managed to reduce its net debt and improve its operating results.

The Subsidiary's Management believes that the cash flow from operations, together with new loans and financing to be obtained with the financial institutions and capital markets, will allow the Subsidiary to meet its financial and operating commitments along with upcoming years.

(c) On March 7, 2007 the Management Council of the National Telecommunications Agency - ANATEL approved the numerical portability in fixed and mobile telephones. The rule will allow the users of the Exchanged Fixed Telephone Service (STFC) and the Personal Mobile Service (SMP) to change carriers keeping their fixed or cellular phone number, as many times as they request.

The initial offer of portability, in experimental character, will start within 16 months, in capital cities to be chosen for implementation of the pilot-project and it will be totally available throughout the country within 24 months, from the publishing of the General Regulation of Portability in the Federal Official Gazette, occurred on March 21, 2007.

The Subsidiary has already contracted network and Information Technology solutions, as well as reviewed all operating processes needed to the introduction of the portability in August, 2008.

(d) On August 2, 2007 Telpart Participações S.A. ( Telpart ), the Company's controlling entity, entered into a Stock Purchase Agreement with Vivo Participações S.A. ( Vivo ), which objective is the alienation of the total of the equity interest of Telpart in the Company's capital stock and of Telemig Celular Participações S.A. (related company on March 31, 2008).

Vivo Participações S.A. is the controlling shareholder of Vivo S.A., cellular mobile service and personal mobile service operator, in the areas 7 and 8 of Regions I and II, in the area 7 of region II and of the SMP, in Region I (service areas 3 and 9), in Region II (service area 6) and Region III (service areas 1 and 2).

The execution of the Stock Purchase Agreement was approved in Telpart's Board Meeting held on August 2, 2007 and also by shareholders representing 99% of the total capital stock of Telpart's controlling entity Newtel Participações S.A. ( Newtel ) in a previous meeting held on August 2, 2007, under the provisions of the Newtel's Shareholders Agreement.

Thereafter, the alienation of the equity interest was approved in an Extraordinary Shareholders Meeting of Telpart held on August 21, 2007 which, accordingly, confirmed the Stock Purchase Agreement.

The transfer of the control of Telemig Celular Participações S.A. was approved by the Management Council of ANATEL on October 23, 2007. The stock purchase agreement set forth the joint acquisition of the shares of Telemig Celular Participações S.A. and Tele Norte Celular Participações S.A.

On December 20, 2007 Vivo entered into a stock purchase agreement with Telemar Norte Leste S.A. aiming at selling the shares of Tele Norte Celular Participações S.A. which Telpart committed to sell to Vivo under the terms of the stock purchase agreement dated August 2, 2007.

The transfer of the control of Tele Norte Celular Participações S.A. was approved by the Director Council of ANATEL in a previous consent held on March 04, 2008.

On April 3, 2008, the transfer of the control of Tele Norte Celular Participações S.A. (and, indirectly, of Amazonia Celular S.A.) to Vivo Participações S.A., as well as of the Telemig Celular Participações S.A. (and indirectly of Telemig Celular S.A.) under the terms of the Stock Purchase Agreement entered into between Vivo and Telpart, having met all conditions set forth by the contract the price has been paid.

At the same date, the transfer of the control of Tele Norte Celular Participações S.A. (and, indirectly, Amazonia Celular S.A.) to Telemar Norte Leste S.A. became effective under the terms of the Stock Purchase Agreement entered into Vivo and Telemar Norte Leste S.A..

In Extraordinary Shareholders Meeting held on April 03, 2008 at Tele Norte Celular Participações S.A. and Amazonia Celular S.A. the board of directors members indicated by Telemar Norte Leste S.A. were elected in both Companies and the resignations presented by the fiscal council members were accepted. At the same date, the first meetings of the new board of director were held, when the new executive boards of the Company and the Subsidiary have been assigned. In meeting held on May 05, 2008, new fiscal council members of the Company and Subsidiary have been assigned.

The transaction will also be submitted to the Administrative Council of the Economic Law CADE, under the provisions of the applicable legislation.

(e) On August 13, 2007, ANATEL published in the Federal Official Gazette the New Regulation of the Personal Mobile Service (SMP). The new regulation sets forth new rules for customer service, plans migration, service suspension, validity of pre-paid credits, collection of messaging service, among others. The new regulation has become effective since February 13, 2008.

## **2 Significant Accounting Practices (Holding and consolidated)**

### **(a) Presentation of the quarterly information and consolidation criteria**

The quarterly information was prepared and is being presented in accordance with the accounting practices adopted in Brazil, which are based on the provisions of the Corporate Law, the rules set forth by the Brazilian Securities and Exchange Commission (CVM) and rules applicable to the telecommunications operators.

The consolidated quarterly information includes the quarterly information of the Holding, Tele Norte Celular Participações S.A., of its direct subsidiary Amazônia Celular S.A. and the special purpose entities mentioned in Note 19, proportionally to their interest in these entities. The consolidation process of the equity accounts and results related to the sum of the Companies' balances of assets, liabilities, revenues and expenses accounts, according to the nature of each balance, plus disposal of (i) interest in capital, reserves and accrued revenues kept among the Companies; (ii) current accounts balances and other balances comprising the assets and/or liabilities, kept among the Companies; and (iii) identification of the minority shareholders.

In the preparation of quarterly information it is necessary to use estimates to account for certain assets, liabilities and other transactions. The Company's quarterly information includes, therefore, estimates referring to the selection of useful lives of property, plant and equipment, accounts receivable of services rendered and not invoiced until balance sheet date, necessary provisions for contingent liabilities, determination of provisions for income tax, provisions for doubtful accounts and other similar items. The actual results may differ from the estimates.

The referred quarterly information is presented in thousands of reais, except as otherwise indicated.

### **(b) Change to the Brazilian Corporate Law, effective as of January, 2008**

In December 28, 2007 Law Nr. 11638 was enacted, which modifies the provisions of the Corporations Law - Law nr. 6404/76. The referred law sets forth several changes about the preparation of financial statements, aiming at alignment with the accounting standards generally accepted in the international capital markets and allows the Brazilian Securities and Exchange Commission (CVM) to issue norms to the publicly traded corporations. The main changes introduced by the Law are applicable as of 2008 and refer to: (i) replacement of the statements of changes in financial position by the statements of cash flows; (ii) obligation of the preparation of statement of value added; (iii) possibility to include the tax recording into the accounting booking, with segregation between the accounting and tax statements; (iv) creation of the sub-group valuation adjustments to shareholders' equity, in the Shareholders' Equity section; (v) establishment of the evaluation and classification criteria for the financial instruments; (vi) obligation of perform impairment evaluation of the non current assets; (vii) changes in the application of the equity method of accounting; (viii) donations and investment subventions recognition criteria; (ix) obligation of recording the new assets at fair market value, in case of mergers, acquisitions or spin-offs. and (x) introduction of the present value adjustment for the long term assets and liabilities operations and for the significant short term operations.

The Company already adopts the disclosure of the statements of cash flows, on its end of year financial statements and the segregation of intangibles in the fixed assets section.



On May 02, 2008, the Brazilian Securities and Exchange Commission CVM issued the Instruction nr. 469 which provides for the application of Law nr. 11638/07. This instruction, among other aspects, confirms the position of the referred entity that it is optional the full application of Law 11638/07 to the quarterly financial information, however, the companies that elect for its not application should disclose in explanatory note, the changes that might impact the year-end financial statements. Additionally, the Instruction CVM nr. 469 required immediate application of some provisions, among which: (i) the mandatory disclosure of information about stock-based compensation; (ii) the mandatory adjustments to present value for long term assets and liabilities transactions and for relevant short term transactions, and (v) the change to the affiliate evaluating parameters to the equity method of accounting.

The Company assessed the impacts of the provisions of immediate and mandatory application of the Instruction CVM nr. 469 and, except for the disclosure of information about the stock-based compensation that is under Note 17 to these quarterly financial information, the application of the referred Instruction has not generated material impacts to the income statement of the period, to shareholders equity or to the Company s disclosures.

Still in compliance to Instruction CVM nr. 469, the Company assessed the impacts of the changes provided by Law 11,638, the Company, at this moment, believes that the following items may be of certain relevance to its financial statements: (i) the preparation of statement of value added in its annual financial statements; (ii) the accounting treatment to be given to the deferred assets presented in non current assets of this quarterly information and (iii) the recognition of fair value of certain financial instruments, disclosed in comparison to the accounting values in Note 19 to this quarterly information.

With regards to the other changes not yet introduced, the Company s management understands it depends on the regulations to be issued by the competent entities to estimate the effects resulting of the referred Law and, in its assessment, based on the currently existing local and international pronouncements, the effects would not be relevant to its financial statements.

#### **(c) Cash and cash equivalents and Short Term Investments**

Mainly comprised by highly liquid temporary investments which original maturity dates is no later than 90 days . The other investments are stated at cost, plus income earned up to the balance sheet date.

Short-term investments are represented by investments in an exclusive investment fund, with original maturity in excess to 90 days. The investments are shown at the value of the unit of the fund on the date of the balance sheet, and the portfolio of the exclusive fund is recorded at its realization value.

#### **(d) Accounts receivable**

Mainly represented by services and products billed to customers, by services rendered up to the balance sheet date but not yet billed, and by amounts arising from the use of the Subsidiary s operations network by subscribers from other telecommunications carriers.

**(e) Allowance for doubtful accounts**

Management, based on its most recent experience, periodically evaluates the estimated loss percentages in order to record the Subsidiary's allowance for doubtful accounts when the recovery of a receivable is considered unlikely.

**(f) Inventories**

Mainly comprised by mobile telephone handsets stated at average acquisition cost, net of a provision to adjust to market value for handsets and accessories out of line or whose acquisition costs are higher than the realization value.

**(g) Investment in subsidiary**

Evaluated at the equity method of accounting, calculated on the result of the year and other equity variations of the Subsidiary.

**(h) Property, plant and equipment and Intangible**

Property, plant and equipment and Intangibles are stated at acquisition and/or construction cost, less accumulated depreciation / amortization. Depreciation and Amortization is calculated on the straight-line method when assets enter into operation, at the rates mentioned in Note 11.

The Subsidiary reviews the recovery value of property, plant and equipment and intangibles by means of its future operations, when there are facts that may affect them. The purpose of this procedure is to verify if the recovery value is lower than the net book value.

When this occurs, the Subsidiary reduces the net book value to the recovery value. No provision was deemed necessary on March 31, 2008 and December 31, 2007.

Interests and financial charges on loans and financing obtained for investment in construction in progress (Assets and Facilities in Progress) are capitalized until such assets start to operate. Costs incurred with maintenance and repair are capitalized when they represent an increase in installed capacity or of the useful life of the asset. In the first quarter of 2008 and 2007, no interests and financial charges were capitalized.

**(i) Other assets**

Other current assets and non current assets are stated at cost or realizable values, including, when applicable, earnings, foreign exchange rate variations and monetary variations accrued.

**(j) Foreign currency transactions**

These are recorded at the rate prevailing on the date of transactions and restated based on the foreign exchange rate effective at the balance sheet date. Foreign exchange gains/losses are immediately recognized in the current year's results.

**(k) Income tax and social contribution**

Income tax and social contribution on net income are calculated pursuant to prevailing laws. Deferred tax credits and liabilities are calculated based on the estimated amount of realization of the tax benefit of goodwill acquired from the Holding, through a process of restructuring, the tax losses, and the negative basis of social contribution and temporary differences arising mainly from allowance for doubtful accounts, provisions for contingencies and provision for accounts payable hedge operations, provision for accounts payable and provision for profit sharing, as shown in Note

4.

As required by CVM Instruction 371/2002, the Company and its Subsidiary carry out technical feasibility study regarding the future realization of the deferred tax assets, considering the possible capacity of taxable income generation. These studies are performed yearly and, when necessary, the Company and the subsidiary record a loss provision for the installment of deferred social contribution and income tax realizable after the ten-year term allowed by the aforementioned Instruction. These studies are approved by the management bodies of the Companies.

**(l) Provision for contingencies**

Provisions for contingencies are recorded, based on the opinion of the legal advisors and of management, to cover probable losses and legal obligations of the Company and its Subsidiary resulting from tax, civil and labor claims, as required by CVM Instruction n°. 489/2005.

**(m) Other liabilities**

Other current and non current liabilities are stated at known or estimated amounts, plus, when applicable, corresponding charges, foreign exchange rate variations and monetary variations incurred.

**(n) Determination of income and revenue recognition**

Income is determined on the accrual basis. Revenues from telecommunications services are recorded at the rate prevailing on the date the services are rendered. Revenues from mobile telephony services comprise fees of subscription, usage, network usage, maintenance and other services rendered to subscribers. All services are billed monthly. Services rendered between the invoicing date and the end of each month are calculated and recorded as revenue in the month services are rendered. Revenues from credit recharge of prepaid cell phones are deferred and recorded in income as services are effectively provided or when the credits expire. The free minutes resulting from the reload promotions are deferred at the moment of their concession and recognized to income statements simultaneously as gross service revenues and deductions of service revenues when they are effectively used by the client. Revenues from sales of handsets and accessories are recorded when products are delivered and accepted by consumer or dealer.

**(o) Pension plan**

The Subsidiary participates in pension plans offering its employees pensions and other post-employment benefits. Actuarial liabilities were calculated and recorded based on the projected unit credit method, pursuant to CVM Resolution n°. 371/2000.

**(p) Employees profit sharing**

The Company and the Subsidiary record profit sharing based on the achievement of goals established for the year, subject to approval at the Shareholders Meeting.

**3 Transactions with related parties**

	<b>Holding</b>		<b>Consolidated</b>	
	<b>03.31.08</b>	<b>12.31.07</b>	<b>03.31.08</b>	<b>12.31.07</b>
<b>Assets</b>				
<b>Current Assets</b>				
<b>Accounts receivable</b>				
Telemig Celular S.A.	-	-	20	27
Brasil Telecom S.A.	-	-	2,345	2,182
	-	-	2,365	2,209
<b>Non-Current Assets - Long-term</b>				
<b>Receivables</b>				
Amazônia Celular S.A.	497	138	-	-
<b>Liabilities</b>				
<b>Current Liabilities</b>				
<b>Accounts Payable</b>				
Telemig Celular S.A.	-	-	11	3
Brasil Telecom S.A.	-	-	1,628	2,229
	-	-	1,639	2,232
<b>Long-term Liabilities</b>				
Amazonia Celular S.A.	-	-	-	-
Telemig Celular S.A.	25	59	20,443	23,179
Telemig Celular Participações S.A.	-	-	2,953	2,897
	25	59	23,396	26,076
	<b>03.31.08</b>	<b>03.31.07</b>	<b>03.31.08</b>	<b>03.31.07</b>
<b>Accumulated Results</b>				
<b>Service revenue</b>				
Telemig Celular S.A.	-	-	152	177
Brasil Telecom S.A.	-	-	1,826	2,312
	-	-	1,978	2,489
<b>Revenue (expenses) from sharing of</b>				

**resources**

Amazônia Celular S.A.	726	470	-	-
Telemig Celular S.A.	(86)	(76)	(7,206)	(4,036)
Telemig Celular Participações S.A.	-	-	-	(473)
	640	394	(7,206)	(4,509)

The Company carries out transactions with its Subsidiary and other related parties concerning certain services, described below. Related-party transactions are carried out under conditions agreed among parties, which, in Management's understanding, are in market conditions.

Despite the transfer of the control mentioned in Note 1 (d), on March 31, 2008 the companies Telemig Celular Participações S.A. and its Subsidiary Telemig Celular S.A. had the same controlling shareholder, for such reason they were maintained as related parties for purposes of this quarterly information.

**(a) Roaming agreements**

The Subsidiary is a member of the Brazilian roaming committee of mobile operators, which includes the subsidiary of the related company on March 31, 2008, Telemig Celular Participações S.A. (Telemig Celular S.A.). The purpose of this committee is to oversee technical and system aspects to ensure the high quality of the roaming service. As required by Brazilian regulations, the Subsidiary, Telemig Celular S.A. and other mobile operators facilitate roaming to their respective subscribers.

Accounts receivable and payable, as well as service revenues with Telemig Celular S.A., refer to the pass-through of the additional call and transfer of the operators in roaming mode.

**(b) Cost sharing**

On March 20, 2003, Tele Norte Celular Participações S.A., its Subsidiary (Amazonia Celular S.A.) and the related companies on March 31, 2008, Telemig Celular Participações S.A. and Telemig Celular S.A., entered into a new agreement for sharing human and administrative resources, and established a jointly-owned unit. This agreement was approved at the General Shareholders Meetings of the respective companies, both held on March 19, 2003.

The balances recorded in long-term receivables and long-term liabilities are exclusively related to the cost sharing and jointly-owned unit creation agreement mentioned above.

The balances are adjusted by the variation of the Interbank Deposit Certificate (CDI).

**(c) Brasil Telecom S.A.**

The Company and Brasil Telecom S.A. are considered related parties due to, on March 31, 2008, common shareholders in their control chain.

As from August 1, 2004, the Subsidiary started to offer the Carrier Selection Code (CSP) option to its customers that elect the Brasil Telecom S.A. Carrier Selection Code ( CSP ). Consequently, the customers of the Subsidiary started to use CSP in domestic (VC2 and VC3) and international long-distance calls from their mobiles, in accordance with the Personal Mobile Service (SMP) rules.

Accounts payable to Brasil Telecom S.A. refer to the pass-through of domestic and international long-distance calls made by the Subsidiary's subscribers using the CSP of Brasil Telecom S.A. Accounts receivable and service revenues mainly refer to the interconnection revenues for the use of the Subsidiary's network in such long-distance calls.

**(d) Oi**

In General Shareholders Meeting held on April 03, 2008 the shareholder control of the Company and indirectly of its Subsidiary was transferred to Telemar Norte Leste S.A. In consequence of this change, as of this date, the companies of OI group started to be treated as related parties.

On March 31, 2008 the accounts payable to Oi and Telemar, which were classified in current liabilities referred to the pass-through of national and international long distance calls made by the Subsidiary's subscribers using the CSP of Oi/Telemar, totaled R\$3,005. The accounts receivable and the service revenues referred mainly to the revenues from interconnection for the use of the Subsidiary's network in these long distance calls and infrastructure sharing totaled R\$10,659 and R\$19,805, respectively. These amounts were classified respectively in current assets and service revenues in the Subsidiary's statements.

#### 4 Income tax and social contribution

##### (a) Income Tax and Social Contribution Recoverable

	<b>Holding</b>		<b>Consolidated</b>	
	<b>03.31.08</b>	<b>12.31.07</b>	<b>03.31.08</b>	<b>12.31.07</b>
Advances and Other Income Tax Recoverable Amounts	1,156	1,076	2,001	2,534
Advances and Other Social Contribution Recoverable Amounts	-	-	122	19
	1,156	1,076	2,123	2,553
Less: Portion classified as long term	(1,156)	(1,076)	(1,156)	(1,076)
Portion classified as current	-	-	967	1,477

##### (b) Deferred income tax and social contribution - assets

Deferred income tax and social contribution assets have the following nature:

	<b>Holding</b>		<b>Consolidated</b>	
	<b>03.31.08</b>	<b>12.31.07</b>	<b>03.31.08</b>	<b>12.31.07</b>
<b>Deferred income tax and Social Contribution Assets</b>				
<b>Deferred Income Tax</b>				
Tax loss	31,889	31,013	46,205	46,178
Allowance for doubtful accounts	-	-	11,429	10,954
Provision for contingencies	-	-	37,199	35,641
Goodwill (CVM Instruction 349)	6,164	7,088	6,164	7,088
Provision for accounts payable hedge operations	698	629	12,890	13,316
Provision for accounts payable	118	76	3,963	4,068
Provision for profit sharing	-	-	391	940
Other expenses	-	-	2,764	1,990
	38,869	38,806	121,005	120,175



**Deferred social contribution**

Negative calculation basis	11,480	11,165	22,335	22,147
Allowance for doubtful accounts	-	-	4,115	3,944
Provision for contingencies	-	-	2,780	2,772
Goodwill (CVM Instruction 349)	2,219	2,552	2,219	2,552
Provision for accounts payable hedge operations	251	226	4,640	4,794
Provision for accounts payable	42	28	1,427	1,465
Provision for profit sharing	-	-	141	338
Other expenses	24	24	1,019	741
	14,016	13,995	38,676	38,753

**Deferred Income Tax and Social Contribution****Liabilities**

Income Tax - Foreign Exchange Variation Cash Basis	-	-	(7,158)	(6,724)
Social Cont. Foreign Exchange Variation Cash Basis	-	-	(2,577)	(2,422)
Total Deferred Income Tax and Social Contribution	52,885	52,801	149,946	149,782
Portion of Credits not recorded	(3,609)	(3,525)	(3,689)	(3,525)
Provision for loss	(49,276)	(49,276)	(64,126)	(64,126)
	-	-	82,131	82,131

The Subsidiary has 75% tax benefit reduction in the income tax generated in the ADA's inventive areas Amazon Development Areas in the Units of Para, Amazonas and Roraima, for a period of 10 years counted from 2004. With regards to the Units of Amapa and Maranhao, the obtaining of the tax benefit is in phase of confirmation by the Federal Revenue Service.

In the fiscal year of 2007, the Subsidiary changed the tax regime on foreign exchange gains, from the accrual basis regime to cash regime. The deferred income tax and social contribution liabilities refer to the gains from foreign exchange variation calculated by the accrual regime not yet taxes.

Pursuant to CVM Instruction n°. 371/2002, at the end of 2007, the management of the Company and its Subsidiary prepared technical feasibility studies on the future realization of the deferred tax assets, considering the probable capacity of future taxable income generation by the Company and by the Subsidiary, in the scope of the main variables of its businesses that may, therefore, undergo changes. These studies were approved by the Board of Directors of the Company and Subsidiary on February 25, 2008 and examined by the Fiscal Council on February 26, 2008.

Through the referred technical study, on December 31, 2007, it was identified that a portion of the deferred income tax and social contribution balance of the Company, in the amount of R\$49,276, and the Subsidiary, in the amount of R\$14,850 will be realized beyond the ten-year horizon allowed by CVM Instruction 371/2002. Therefore, a provision for loss in the realization of these assets, in these amounts, was booked.

The studies will be revised up to the end of fiscal year 2008 and the results of such reviews will be reflected in the corresponding financial statements.

In the first quarter 2008 and during the year of 2007, in function of the inexistence of profitability history (generation of taxable income) by the Company, a credit of deferred income tax and social contribution was recorded only on the tax loss and negative basis generated by the goodwill amortization. The credit recorded equals to the amount of tax credit on the goodwill realized in the quarter, in such a way that the total balance of deferred income tax and social contribution assets has not been changed.

The tax credits on tax loss and negative basis generated by other operations and on temporary additions have not been recorded. On March 31, 2008, the unrecorded tax credits totaled R\$3,689 (December 31, 2007 R\$3,525).

Despite the technical study prepared by the Subsidiary indicates that the taxable income in the 10 year period will be enough for the realization of the tax credit in the amount of R\$89,354, Management decided, in observance to the CVM Instruction 371/2002, not review the additional reversal of the provision in the amount of R\$7,223, in function of the inexistence of profitability history (generation of taxable income) in the past years by the Subsidiary.

The credits related to the provisions temporarily non deductible, mainly tax contingencies and allowance for doubtful accounts, will be realized to the extent the corresponding matters are concluded.

As mentioned in Note 1(b), Amazonia Celular S.A. management has been implementing several actions aiming at improving the Subsidiary's operating margin. Management believes that the actions already implemented in 2007 together with other actions that will be implemented in 2008 will generate enough taxable income in the future by the Subsidiary

According to the projections made by Subsidiary's management, long term deferred income tax and social contribution will be realized in the following years:

<b>Year of Use</b>	<b>Consolidated</b>
2010	2,500
2011	5,548
2012	7,616
2013	9,871
2014	12,967
2015 to 2017	43,629
Total (As of 03/31/2008)	82,131

As the taxable base of the income tax and social contribution arises not only from the profit that may be generated but also from the existence of non-taxable revenues, non-deductible expenses, tax incentives and other variables, there is no immediate correlation between the Company's net income and the tax income and social contribution results. Therefore, the expectation of use of the tax credits must not be taken as the only indication of the Company's and its Subsidiary's future results.

In the consolidated financial statements prepared in accordance with the generally accepted accounting principles of the United States of America ( US GAAP ) for the year ended on December 31, 2006, the Company's Management at that time, having in view the losses accumulated in the last years and considering the expectation of negative results in near future, decided, pursuant SFAS 109 Accounting for Income Taxes, to record a provision for losses for the totality of the deferred asset (including the Company's balances), notwithstanding the fact that the components of the deferred tax asset do not expire and that the projections of future results are more favorable as from the full depreciation of the TDMA equipment network and of the actions implemented by the Management mentioned above.

The USGAAP adjustments mentioned above will be reviewed for the preparation of the financial statements under those principles referring to the fiscal year of 2007. This review will be completed by the end of the second quarter of 2008.

**(c) Reconciliation of income tax and social contribution in the income statement**

The amounts of income tax and social contribution in the quarter, shown in the results, are reconciled to their amounts at the nominal rate as below:

	<b>Holding</b>		<b>Consolidated</b>	
	<b>03.31.08</b>	<b>03.31.07</b>	<b>03.31.08</b>	<b>03.31.07</b>
Income before income tax, social contribution and profit sharing	3,709	(5,593)	5,344	(7,356)
(-) Equity accounting	(3,956)	5,278	-	-
Permanent additions (exclusions), net	-	-	(89)	1,173
Calculation basis	(247)	(315)	5,255	(6,183)
Income tax and social contribution (34%)	84	107	(1,787)	2,102
Income tax and social contribution on tax loss and negative basis unrecorded	(84)	(107)	(179)	(2,102)
Supplement (Reversal) of previous year income tax and current social contribution	-	-	1,652	-
	-	-	(314)	-

#### 5 Cash and Cash Equivalents and Short Term Investments

	<b>Holding</b>		<b>Consolidated</b>	
	<b>03.31.08</b>	<b>12.31.07</b>	<b>03.31.08</b>	<b>12.31.07</b>
<b>Cash and Cash Equivalents</b>				
Cash and Banks	35	115	972	4,265
Financial Investments (original maturity less than 90 days)	-	-	2,945	5,619
	35	115	3,917	9,884
<b>Short Term Investment</b>				
Investment Fund	14,164	14,864	24,961	34,953

On March 31, 2008 and December 31, 2007, the investment funds were mainly represented by investments in an Investment Fund in Quotas of Investment Funds FIC (exclusive), which also invests in quotas of other exclusive Investment Funds, as mentioned in Note 19.

On March 31, 2008 and December 31, 2007, the portfolios of the Investment Funds were substantially comprised of highly liquid federal government securities and also by private securities of prime financial institutions, also of high liquidity, recorded at their realization amounts.

The Investment Funds carry out operations with financial instruments with the purpose of reducing the exposure to interest risk, which are also recorded at realization amounts.

With the consolidation of the Investment Fund, the balance of short term Investments would have the following break-down:

	<b>03.31.08</b>	<b>Consolidated 12.31.07</b>
Fixed Income Securities substantially Federal Public securities	24,961	34,953

As of March 31, 2008 and December 31, 2007 there was no guarantees, mortgages, pledges or other sureties granted in favor of the exclusive funds.

**6 Accounts Receivable, net**

**Consolidated**

	<b>03.31.08</b>	<b>12.31.07</b>
Telecommunications services	107,177	110,014
Handsets and accessories sales	12,394	14,062