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TELE LESTE CELULAR PARTICIPACOES

Form 425

December 06, 2005

Filed by Telesp Celular Participações S.A.

pursuant to Rule 425 of the Securities Act of 1933

Subject Companies: Telesp Celular Participações S.A.

Commission File No.: 333 - 09470

Tele Centro Oeste Celular Participações S.A.

Commission File No.: 001-14489

Tele Sudeste Celular Participações S.A.

Commission File No.: 001-14485

Tele Leste Celular Participações S.A.

Commission File No.: 001-14481

Celular CRT Participações S.A.

This communication is not an offering document and does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. Investors in American Depositary Shares ( ADSs ) of Telesp Celular Participações S.A. ( TCP ), Tele Centro Oeste Celular Participações S.A. ( TCO ), Tele Sudeste Celular Participações S.A. ( TSD ) and Tele Leste Celular Participações S.A. ( TLE ) and U.S. holders of ordinary shares and preferred shares of TCP, TCO, TSD, TLE and Celular CRT Participações S.A. ( CRTPart and, together with TCP, TCO, TSD and TLE, the Companies ) are urged to read the U.S. prospectus applicable to that Company (or, in the case of holders of ADSs or shares of TCP, other applicable information disseminated by TCP) when it becomes available, because they will contain important information. The U.S. prospectuses prepared for holders of ADSs of TCO, TSD and TLE and for U.S. holders of ordinary shares and preferred shares of TCO, TSD, TLE and CRTPart will be filed with the SEC as part of Registration Statements on Form F-4 of TCP. Investors and security holders may obtain a free copy of the applicable U.S. prospectus (when available) and other documents filed by TCP with the SEC at the SEC's website at [www.sec.gov](http://www.sec.gov). A copy of the applicable U.S. prospectus (when available) may also be obtained for free from TCP.

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

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4. Deloitte Touche Tohmatsu Book Value Report regarding TLE
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**DELOITTE TOUCHE TOHMATSU BOOK VALUE REPORT REGARDING TCP**

***Telesp Celular***

***Participações S.A.***

*Book Value Report Prepared in Accordance*

*with the Provisions of Law No. 6,404, of*

*December 15, 1976*

Deloitte Touche Tohmatsu Auditores Independentes

**BOOK VALUE REPORT PREPARED IN ACCORDANCE WITH THE PROVISIONS OF LAW No. 6,404,  
OF DECEMBER 15, 1976**

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**I INTRODUCTION**

DELOITTE TOUCHE TOHMATSU AUDITORES INDEPENDENTES, an accounting firm, with main office in the city of São Paulo, at Rua José Guerra, 127, CNPJ/MF (corporate taxpayer identification number) No. 49.928.567/0001-11, as the assigned appraiser, as provided for in article 8 of Law No. 6,404, of December 15, 1976, in response to your request, performed a review of the net assets as of September 30, 2005 of Telesp Celular Participações S.A., a corporation, located at Avenida Roque Petroni Junior, 1.464, Municipality of São Paulo, State of São Paulo, CNPJ/MF No. 02.558.074/0001-73, hereinafter referred to simply as the Company, for purposes of corporate reorganization and/or restructuring.

**II DESCRIPTION OF ASSETS**

The net assets, the subject to the review, were determined based on the Company's trial balance as of September 30, 2005 and comprise the following asset and liability balances:

Deloitte Touche Tohmatsu

|                                    | R\$, cents omitted   |
|------------------------------------|----------------------|
| <b>ASSETS</b>                      |                      |
| Cash and banks                     | 30,094               |
| Cash investments                   | 37,833               |
| Interest on capital                | 62,113,689           |
| Deferred and recoverable taxes     | 360,246,827          |
| Prepaid expenses                   | 4,346,900            |
| Other assets                       | 16,446,803           |
| Investments                        | 7,360,812,169        |
| Property, plant and equipment, net | 321,239              |
| <b>Total assets</b>                | <b>7,804,355,554</b> |
| <b>LIABILITIES</b>                 |                      |
| Payroll and related accruals       | 944,481              |
| Trade accounts payable             | 4,734,373            |
| Taxes payable                      | 538,636              |
| Loans and financing                | 2,885,762,544        |
| Reserve for contingencies          | 65,364,841           |
| Derivative contracts               | 508,384,035          |
| Other liabilities                  | 22,707,863           |
| <b>Total liabilities</b>           | <b>3,488,436,773</b> |
| <b>Funds for capitalization</b>    | <b>152,379</b>       |
| <b>NET ASSETS</b>                  | <b>4,315,766,402</b> |

The net assets as of September 30, 2005 include a special goodwill reserve in the amount of R\$693,678,308 (six hundred and ninety-three million, six hundred and seventy-eight thousand, three hundred and eight Brazilian reais), which will be capitalized in favor of the controlling shareholders upon the realization of the corresponding tax benefits, and the other shareholders will have preemptive right, according to the provisions of article 171 of Law No. 6,404/76, with any funds arising from the exercise of the preemptive right being paid to the controlling shareholders.

### III PROCEDURES APPLIED

In order to ascertain the adequacy of the book values of assets and liabilities, which determine the net assets of the Company as of September 30, 2005, the undersigned performed its examinations by adopting usual procedures for audit of the financial statements applicable in the circumstances, according to standards approved by the Federal Accounting Council. Therefore, the examinations comprised: (a) determining the

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extent of the audit procedures, considering the materiality of the asset and liability balances that make up the net assets; (b) checking, on a test basis, the evidence and records that support the amounts and accounting information disclosed; and (c) evaluating the significant accounting practices and estimates adopted by the Company's management.

Deloitte Touche Tohmatsu

#### **IV DETERMINATION OF NET ASSETS**

The net assets of the Company were determined in accordance with Brazilian accounting practices, which include standards established by Brazilian corporate law, accounting standards and procedures issued by the Brazilian Securities Commission (CVM), and standards applicable to concessionaires of public telecommunications services. The criterion adopted for appraising the net assets of the Company was book value.

#### **V BOOKS AND BOOKKEEPING**

The books of the Company meet all legal and tax requirements and were kept in accordance with Brazilian accounting practices, uniformly and consistently applied.

The details of assets, rights and obligations that make up the net assets are in possession of the Company in the form of subsidiary records and analytical reports.

#### **VI INEXISTENCE OF CONFLICT OF INTERESTS AND LIMITATIONS**

We confirm that:

- a) In accordance with the professional standards established by the Federal Accounting Council (CFC) through Resolution No. 821/97, we are not aware of any circumstances that represent conflict of interests in relation to the Company or to the Company and its controlling shareholders or to the service previously described. In addition, we have no direct or indirect interest in the Company or in any company related to it.
- b) We are not aware of any action by the controlling shareholder or management of the Company to influence, limit, hamper or perform any acts that have or may have compromised the access, use or knowledge of information, assets, documents or work methodologies relevant to the quality of the conclusion of our work.

#### **VII CONCLUSION**



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As a result of the examinations and analyses performed, we concluded that the net assets of the Company as of September 30, 2005, computed based on the criteria described above, are R\$4,315,766,402 (four billion, three hundred and fifteen million, seven hundred and sixty-six thousand, four hundred and two Brazilian reais).

Deloitte Touche Tohmatsu

## VIII CLOSING

Thus, we have completed our work and sign this appraisal report in three counterparts of equal content for all legal purposes.

São Paulo, December 4, 2005

DELOITTE TOUCHE TOHMATSU

Auditores Independentes

José Domingos do Prado  
Engagement Partner

**DELOITTE TOUCHE TOHMATSU BOOK VALUE REPORT REGARDING TCO**

***Tele Centro Oeste Celular  
Participações S.A.***

*Book Value Report Prepared in Accordance  
with the Provisions of Law No. 6,404, of  
December 15, 1976*

Deloitte Touche Tohmatsu Auditores Independentes

**BOOK VALUE REPORT PREPARED  
IN ACCORDANCE WITH THE PROVISIONS OF  
LAW No. 6,404, OF DECEMBER 15, 1976**

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**I INTRODUCTION**

DELOITTE TOUCHE TOHMATSU AUDITORES INDEPENDENTES, an accounting firm, with main office in the city of São Paulo, at Rua José Guerra, 127, CNPJ/MF (corporate taxpayer identification number) No. 49.928.567/0001-11, as the assigned appraiser, as provided for in article 8 of Law No. 6,404, of December 15, 1976, in response to your request, performed a review of the net assets as of September 30, 2005 of Tele Centro Oeste Celular Participações S.A., a corporation, located at SCS, Quadra 2, Bloco C, 226, 7º andar, Brasília, Distrito Federal, CNPJ/MF No. 02.558.132/0001-69, hereinafter referred to simply as the Company, for purposes of corporate reorganization and/or restructuring.

**II DESCRIPTION OF ASSETS**

The net assets, the subject to the review, were determined based on the Company's trial balance as of September 30, 2005 and comprise the following asset and liability balances:

Deloitte Touche Tohmatsu

|                                    | R\$, cents omitted   |
|------------------------------------|----------------------|
| <b>ASSETS</b>                      |                      |
| Cash and banks                     | 1,861,400            |
| Cash investments                   | 93,024,446           |
| Trade accounts receivable, net     | 125,037,827          |
| Inventories                        | 25,343,212           |
| Advances to suppliers              | 3,287,765            |
| Interest on capital                | 161,097,369          |
| Loans and financing                | 25,152,236           |
| Deferred and recoverable taxes     | 392,280,867          |
| Prepaid expenses                   | 20,024,532           |
| Other assets                       | 26,323,414           |
| Investments                        | 2,145,128,600        |
| Property, plant and equipment, net | 275,579,165          |
| Deferred assets, net               | 368,958              |
| <b>Total assets</b>                | <b>3,294,509,791</b> |
| <b>LIABILITIES</b>                 |                      |
| Payroll and related accruals       | 8,391,778            |
| Trade accounts payable             | 75,826,170           |
| Taxes payable                      | 16,501,578           |
| Loans and financing                | 23,120,906           |
| Interest on capital                | 137,685,883          |
| Reserve for contingencies          | 132,203,471          |
| Derivative contracts               | 11,598,804           |
| Other liabilities                  | 53,729,488           |
| <b>Total liabilities</b>           | <b>459,058,078</b>   |
| <b>Funds for capitalization</b>    | <b>125,683</b>       |
| <b>NET ASSETS</b>                  | <b>2,835,326,030</b> |

The net assets as of September 30, 2005 include a special goodwill reserve in the amount of R\$586,625,173 (five hundred and eighty-six million, six hundred and twenty-five thousand, one hundred and seventy-three Brazilian reais), which will be capitalized in favor of the controlling shareholders upon the realization of the corresponding tax benefits, and the other shareholders will have preemptive right, according to the provisions of article 171 of Law No. 6,404/76, with any funds arising from the exercise of the preemptive right being paid to the controlling shareholders.

Deloitte Touche Tohmatsu

### **III PROCEDURES APPLIED**

In order to ascertain the adequacy of the book values of assets and liabilities, which determine the net assets of the Company as of September 30, 2005, the undersigned performed its examinations by adopting usual procedures for audit of the financial statements applicable in the circumstances, according to standards approved by the Federal Accounting Council. Therefore, the examinations comprised: (a) determining the extent of the audit procedures, considering the materiality of the asset and liability balances that make up the net assets; (b) checking, on a test basis, the evidence and records that support the amounts and accounting information disclosed; and (c) evaluating the significant accounting practices and estimates adopted by the Company's management.

### **IV DETERMINATION OF NET ASSETS**

The net assets of the Company were determined in accordance with Brazilian accounting practices, which include standards established by Brazilian corporate law, accounting standards and procedures issued by the Brazilian Securities Commission (CVM), and standards applicable to concessionaires of public telecommunications services. The criterion adopted for appraising the net assets of the Company was book value.

### **V BOOKS AND BOOKKEEPING**

The books of the Company meet all legal and tax requirements and were kept in accordance with Brazilian accounting practices, uniformly and consistently applied.

The details of assets, rights and obligations that make up the net assets are in possession of the Company in the form of subsidiary records and analytical reports.

### **VI INEXISTENCE OF CONFLICT OF INTERESTS AND LIMITATIONS**

We confirm that:

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- a) In accordance with the professional standards established by the Federal Accounting Council (CFC) through Resolution No. 821/97, we are not aware of any circumstances that represent conflict of interests in relation to the Company or to the Company and its controlling shareholders or to the service previously described. In addition, we have no direct or indirect interest in the Company or in any company related to it.
- b) We are not aware of any action by the controlling shareholder or management of the Company to influence, limit, hamper or perform any acts that have or may have compromised the access, use or knowledge of information, assets, documents or work methodologies relevant to the quality of the conclusion of our work.



Deloitte Touche Tohmatsu

## **VII CONCLUSION**

As a result of the examinations and analyses performed, we concluded that the net assets of the Company as of September 30, 2005, computed based on the criteria described above, are R\$2,835,326,030 (two billion, eight hundred and thirty-five million, three hundred and twenty-six thousand and thirty Brazilian reais).

## **VIII CLOSING**

Thus, we have completed our work and sign this appraisal report in three counterparts of equal content for all legal purposes.

São Paulo, December 4, 2005

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes

José Domingos do Prado  
Engagement Partner

**DELOITTE TOUCHE TOHMATSU BOOK VALUE REPORT REGARDING TSD**

***Tele Sudeste Celular***  
***Participações S.A.***

*Book Value Report Prepared in Accordance*  
*with the Provisions of Law No. 6,404, of*  
*December 15, 1976*

Deloitte Touche Tohmatsu Auditores Independentes

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**BOOK VALUE REPORT PREPARED IN ACCORDANCE WITH THE PROVISIONS OF LAW No. 6,404,  
OF DECEMBER 15, 1976**

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## **I INTRODUCTION**

DELOITTE TOUCHE TOHMATSU AUDITORES INDEPENDENTES, an accounting firm, with main office in the city of São Paulo, at Rua José Guerra, 127, CNPJ/MF (corporate taxpayer identification number) No. 49.928.567/0001-11, as the assigned appraiser, as provided for in article 8 of Law No. 6,404, of December 15, 1976, in response to your request, performed a review of the net assets as of September 30, 2005 of Tele Sudeste Celular Participações S.A., a corporation, located at Praia de Botafogo, 501 7º andar, Municipality of Rio de Janeiro, State of Rio de Janeiro, CNPJ/MF No. 02.558.129/0001-45, hereinafter referred to simply as the Company, for purposes of corporate reorganization and/or restructuring.

## **II DESCRIPTION OF ASSETS**

The net assets, the subject to the review, were determined based on the Company's trial balance as of September 30, 2005 and comprise the following asset and liability balances:

Deloitte Touche Tohmatsu

|                                    | R\$, cents omitted   |
|------------------------------------|----------------------|
| <b>ASSETS</b>                      |                      |
| Cash and banks                     | 75,247               |
| Cash investments                   | 56,588,394           |
| Interest on capital                | 28,002,038           |
| Deferred and recoverable taxes     | 59,827,524           |
| Other assets                       | 1,255,445            |
| Investments                        | 1,990,421,442        |
| Property, plant and equipment, net | 107,587              |
| <b>Total assets</b>                | <b>2,136,277,677</b> |
| <b>LIABILITIES</b>                 |                      |
| Payroll and related accruals       | 445,221              |
| Trade accounts payable             | 4,822,762            |
| Taxes payable                      | 2,581,708            |
| Interest on capital                | 35,495,646           |
| Reserve for contingencies          | 2,242                |
| Other liabilities                  | 44,103,694           |
| <b>Total liabilities</b>           | <b>87,451,273</b>    |
| <b>Funds for capitalization</b>    | <b>131,401</b>       |
| <b>NET ASSETS</b>                  | <b>2,048,695,003</b> |

The net assets as of September 30, 2005 include a special goodwill reserve in the amount of R\$166,859,893 (one hundred and sixty-six million, eight hundred and fifty-nine thousand, eight hundred and ninety-three Brazilian reais), which will be capitalized in favor of the controlling shareholders upon the realization of the corresponding tax benefits, and the other shareholders will have preemptive right, according to the provisions of article 171 of Law No. 6,404/76, with any funds arising from the exercise of the preemptive right being paid to the controlling shareholders.

### III PROCEDURES APPLIED

In order to ascertain the adequacy of the book values of assets and liabilities, which determine the net assets of the Company as of September 30, 2005, the undersigned performed its examinations by adopting usual procedures for audit of the financial statements applicable in the circumstances, according to standards approved by the Federal Accounting Council. Therefore, the examinations comprised: (a) determining the extent of the audit procedures, considering the materiality of the asset and liability balances that make up the net assets; (b) checking, on a test basis, the evidence and records that support the amounts and accounting information disclosed; and (c) evaluating the significant accounting

practices and estimates adopted by the Company's management.

Deloitte Touche Tohmatsu

#### **IV DETERMINATION OF NET ASSETS**

The net assets of the Company were determined in accordance with Brazilian accounting practices, which include standards established by Brazilian corporate law, accounting standards and procedures issued by the Brazilian Securities Commission (CVM), and standards applicable to concessionaires of public telecommunications services. The criterion adopted for appraising the net assets of the Company was book value.

#### **V BOOKS AND BOOKKEEPING**

The books of the Company meet all legal and tax requirements and were kept in accordance with Brazilian accounting practices, uniformly and consistently applied.

The details of assets, rights and obligations that make up the net assets are in possession of the Company in the form of subsidiary records and analytical reports.

#### **VI INEXISTENCE OF CONFLICT OF INTERESTS AND LIMITATIONS**

We confirm that:

- a) In accordance with the professional standards established by the Federal Accounting Council (CFC) through Resolution No. 821/97, we are not aware of any circumstances that represent conflict of interests in relation to the Company or to the Company and its controlling shareholders or to the service previously described. In addition, we have no direct or indirect interest in the Company or in any company related to it.
- b) We are not aware of any action by the controlling shareholder or management of the Company to influence, limit, hamper or perform any acts that have or may have compromised the access, use or knowledge of information, assets, documents or work methodologies relevant to the quality of the conclusion of our work.

#### **VII CONCLUSION**

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As a result of the examinations and analyses performed, we concluded that the net assets of the Company as of September 30, 2005, computed based on the criteria described above, are R\$2,048,695,003 (two billion, forty-eight million, six hundred and ninety-five thousand and three Brazilian reais).



Deloitte Touche Tohmatsu

## VIII CLOSING

Thus, we have completed our work and sign this appraisal report in three counterparts of equal content for all legal purposes.

São Paulo, December 4, 2005

DELOITTE TOUCHE TOHMATSU

Auditores Independentes

José Domingos do Prado

Engagement Partner

**DELOITTE TOUCHE TOHMATSU BOOK VALUE REPORT REGARDING TLE**

***Tele Leste Celular***  
***Participações S.A.***

*Book Value Report Prepared in Accordance*  
*with the Provisions of Law No. 6,404, of*  
*December 15, 1976*

Deloitte Touche Tohmatsu Auditores Independentes

**BOOK VALUE REPORT PREPARED**  
**IN ACCORDANCE WITH THE PROVISIONS OF**  
**LAW No. 6,404, OF DECEMBER 15, 1976**

---

**I INTRODUCTION**

DELOITTE TOUCHE TOHMATSU AUDITORES INDEPENDENTES, an accounting firm, with main office in the city of São Paulo, at Rua José Guerra, 127, CNPJ/MF (corporate taxpayer identification number) No. 49.928.567/0001-11, as the assigned appraiser, as provided for in article 8 of Law No. 6,404, of December 15, 1976, in response to your request, performed a review of the net assets as of September 30, 2005 of Tele Leste Celular Participações S.A., a corporation, located at Rua Silveira Martins, 435, Municipality of Salvador, State of Bahia, CNPJ/MF No. 02.558.144/0001-93, hereinafter referred to simply as the Company, for purposes of corporate reorganization and/or restructuring.

**II DESCRIPTION OF ASSETS**

The net assets, the subject to the review, were determined based on the Company's trial balance as of September 30, 2005 and comprise the following asset and liability balances:

Deloitte Touche Tohmatsu

|                                | R\$, cents omitted |
|--------------------------------|--------------------|
| <b>ASSETS</b>                  |                    |
| Cash and banks                 | 96,594             |
| Cash investments               | 9,258              |
| Interest on capital            | 2,889,854          |
| Deferred and recoverable taxes | 13,292,087         |
| Other assets                   | 209,766            |
| Investments                    | 310,990,493        |
| <b>Total assets</b>            | <b>327,488,052</b> |
| <b>LIABILITIES</b>             |                    |
| Payroll and related accruals   | 106,522            |
| Trade accounts payable         | 447,486            |
| Taxes payable                  | 197,378            |
| Loans and financing            | 617,172            |
| Derivative contracts           | 25,726             |
| Interest on capital            | 443,388            |
| Other liabilities              | 5,583,048          |
| <b>Total liabilities</b>       | <b>7,420,720</b>   |
| Funds for capitalization       | 37,372             |
| <b>NET ASSETS</b>              | <b>320,029,960</b> |

The net assets as of September 30, 2005 include a special goodwill reserve in the amount of R\$126,419,373 (one hundred and twenty-six million, four hundred and nineteen thousand, three hundred and seventy-three Brazilian reais), which will be capitalized in favor of the controlling shareholders upon the realization of the corresponding tax benefits, and the other shareholders will have preemptive right, according to the provisions of article 171 of Law No. 6,404/76, with any funds arising from the exercise of the preemptive right being paid to the controlling shareholders.

### III PROCEDURES APPLIED

In order to ascertain the adequacy of the book values of assets and liabilities, which determine the net assets of the Company as of September 30, 2005, the undersigned performed its examinations by adopting usual procedures for audit of the financial statements applicable in the circumstances, according to standards approved by the Federal Accounting Council. Therefore, the examinations comprised: (a) determining the

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extent of the audit procedures, considering the materiality of the asset and liability balances that make up the net assets; (b) checking, on a test basis, the evidence and records that support the amounts and accounting information disclosed; and (c) evaluating the significant accounting practices and estimates adopted by the Company's management.

Deloitte Touche Tohmatsu

#### **IV DETERMINATION OF NET ASSETS**

The net assets of the Company were determined in accordance with Brazilian accounting practices, which include standards established by Brazilian corporate law, accounting standards and procedures issued by the Brazilian Securities Commission (CVM), and standards applicable to concessionaires of public telecommunications services. The criterion adopted for appraising the net assets of the Company was book value.

#### **V BOOKS AND BOOKKEEPING**

The books of the Company meet all legal and tax requirements and were kept in accordance with Brazilian accounting practices, uniformly and consistently applied.

The details of assets, rights and obligations that make up the net assets are in possession of the Company in the form of subsidiary records and analytical reports.

#### **VI INEXISTENCE OF CONFLICT OF INTERESTS AND LIMITATIONS**

We confirm that:

- a) In accordance with the professional standards established by the Federal Accounting Council (CFC) through Resolution No. 821/97, we are not aware of any circumstances that represent conflict of interests in relation to the Company or to the Company and its controlling shareholders or to the service previously described. In addition, we have no direct or indirect interest in the Company or in any company related to it.
- b) We are not aware of any action by the controlling shareholder or management of the Company to influence, limit, hamper or perform any acts that have or may have compromised the access, use or knowledge of information, assets, documents or work methodologies relevant to the quality of the conclusion of our work.

#### **VII CONCLUSION**

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As a result of the examinations and analyses performed, we concluded that the net assets of the Company as of September 30, 2005, computed based on the criteria described above, are R\$320,029,960 (three hundred and twenty million, twenty-nine thousand, nine hundred and sixty Brazilian reais).



Deloitte Touche Tohmatsu

## VIII CLOSING

Thus, we have completed our work and sign this appraisal report in three counterparts of equal content for all legal purposes.

São Paulo, December 4, 2005

DELOITTE TOUCHE TOHMATSU

Auditores Independentes

José Domingos do Prado

Engagement Partner

**DELOITTE TOUCHE TOHMATSU BOOK VALUE REPORT REGARDING**

**CRTPART**

***Celular CRT***

***Participações S.A.***

*Book Value Report Prepared in Accordance*

*with the Provisions of Law No. 6,404, of*

*December 15, 1976*

Deloitte Touche Tohmatsu Auditores Independentes

**BOOK VALUE REPORT PREPARED IN ACCORDANCE WITH THE PROVISIONS OF LAW No. 6,404,  
OF DECEMBER 15, 1976**

---

**I INTRODUCTION**

DELOITTE TOUCHE TOHMATSU AUDITORES INDEPENDENTES, an accounting firm, with main office in the city of São Paulo, at Rua José Guerra, 127, CNPJ/MF (corporate taxpayer identification number) No. 49.928.567/0001-11, as the assigned appraiser, as provided for in article 8 of Law No. 6,404, of December 15, 1976, in response to your request, performed a review of the net assets as of September 30, 2005 of Celular CRT Participações S.A., a corporation, located at Rua José Bonifácio, 245, Municipality of Porto Alegre, State of Rio Grande do Sul, CNPJ/MF No. 03.010.016/0001-73, hereinafter referred to simply as the Company, for purposes of corporate reorganization and/or restructuring.

Deloitte Touche Tohmatsu

**II DESCRIPTION OF ASSETS**

The net assets, the subject to the review, were determined based on the Company's trial balance as of September 30, 2005 and comprise the following asset and liability balances:

|                              | <b>R\$, cents omitted</b> |
|------------------------------|---------------------------|
| <b>ASSETS</b>                |                           |
| Cash and cash equivalents    | 81,772                    |
| Cash investments             | 2,646,229                 |
| Interest on capital          | 74,255,131                |
| Deferred income taxes        | 65,196,371                |
| Other current assets         | 486,301                   |
| Investments                  | 1,155,674,882             |
| <b>Total assets</b>          | <b>1,298,340,686</b>      |
| <b>LIABILITIES</b>           |                           |
| Payroll and related accruals | 200,234                   |
| Trade accounts payable       | 634,535                   |
| Taxes payable                | 68,226,523                |
| Reserve for contingencies    | 309,011                   |
| Other current liabilities    | 4,811,596                 |
| <b>Total liabilities</b>     | <b>74,181,899</b>         |
| <b>NET ASSETS</b>            | <b>1,224,158,787</b>      |

The net assets as of September 30, 2005 include a special goodwill reserve in the amount of R\$83,048,909 (eighty-three million, forty-eight thousand, nine hundred and nine Brazilian reais), which will be capitalized in favor of the controlling shareholders upon the realization of the corresponding tax benefits, and the other shareholders will have preemptive right, according to the provisions of article 171 of Law No. 6,404/76, with any funds arising from the exercise of the preemptive right being paid to the controlling shareholders.

**III PROCEDURES APPLIED**

In order to ascertain the adequacy of the book values of assets and liabilities, which determine the net assets of the Company as of September 30, 2005, the undersigned performed its examinations by adopting usual procedures for audit of the financial statements applicable in the circumstances, according to standards approved by the Federal Accounting Council. Therefore, the examinations comprised: (a) determining the extent of the audit procedures, considering the materiality of the asset and liability balances that make up the net assets; (b) checking, on a test basis, the evidence and records that support the amounts and accounting information disclosed; and (c) evaluating the significant accounting practices and estimates adopted by the Company's management.

Deloitte Touche Tohmatsu

#### **IV DETERMINATION OF NET ASSETS**

The net assets of the Company were determined in accordance with Brazilian accounting practices, which include standards established by Brazilian corporate law, accounting standards and procedures issued by the Brazilian Securities Commission (CVM), and standards applicable to concessionaires of public telecommunications services. The criterion adopted for appraising the net assets of the Company was book value.

#### **V BOOKS AND BOOKKEEPING**

The books of the Company meet all legal and tax requirements and were kept in accordance with Brazilian accounting practices, uniformly and consistently applied.

The details of assets, rights and obligations that make up the net assets are in possession of the Company in the form of subsidiary records and analytical reports.

#### **VI INEXISTENCE OF CONFLICT OF INTERESTS AND LIMITATIONS**

We confirm that:

- a) In accordance with the professional standards established by the Federal Accounting Council (CFC) through Resolution No. 821/97, we are not aware of any circumstances that represent conflict of interests in relation to the Company or to the Company and its controlling shareholders or to the service previously described. In addition, we have no direct or indirect interest in the Company or in any company related to it.
  
- b) We are not aware of any action by the controlling shareholder or management of the Company to influence, limit, hamper or perform any acts that have or may have compromised the access, use or knowledge of information, assets, documents or work methodologies relevant to the quality of the conclusion of our work.

#### **VII CONCLUSION**

As a result of the examinations and analyses performed, we concluded that the net assets of the Company as of September 30, 2005, computed based on the criteria described above, are R\$1,224,158,787 (one billion, two hundred and twenty-four million, one hundred and fifty-eight thousand, seven hundred and eighty-seven Brazilian reais).

Deloitte Touche Tohmatsu

## VIII CLOSING

Thus, we have completed our work and sign this appraisal report in three counterparts of equal content for all legal purposes.

São Paulo, December 4, 2005

DELOITTE TOUCHE TOHMATSU

Auditores Independentes

José Domingos do Prado

Engagement Partner