Reinforcing our undisputed leadership in the wireless sector in Brazil through the acquisition of

CENTRO OESTE
celular

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Safe Harbour

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TCO’s Acquisition Underpins TCP and the JV’s Position as *# 1* Brazilian Wireless Operator

- **Significantly reinforces TCP’s leadership position**
  - Clear ***# 1*** position in São Paulo and now in Brasília, with two highly success B Band properties in Paraná/Santa Catarina and Amazonia (NBT) and an aggregate number of 9.6 million subscribers
- **Perfect geographic fit with TCP**
  - Center West highly attractive area contiguous to São Paulo, Paraná and Santa Catarina
  - Rich and under-penetrated, with faster GDP growth than the country average
  - North region operated through NBT
- **Large scale operation with excellent performance**
  - TCO is a well managed company with a solid balance sheet (net cash position* of R$105 million** vs EBITDA of R$481 million**), excellent operating margins (EBITDA margin of 43.1%**) and positive free cash flow (EBITDA – CAPEX of R$373 million**)
  - Large scale operation, with over 3 million subscribers***
  - Strong subscriber growth (29% from 2001 to 2002) with well established sales and distribution network and coverage in approx 400 cities
- **Commitment to CDMA**
  - Provides TCP with full array of options for its technological decision thus eliminating fully any uncertainties regarding its commitment to CDMA and allowing TCP to maintain a low CAPEX to revenues ratio

* Does not consider the derivative’s positive effect of R$93 million

** As of September 2002

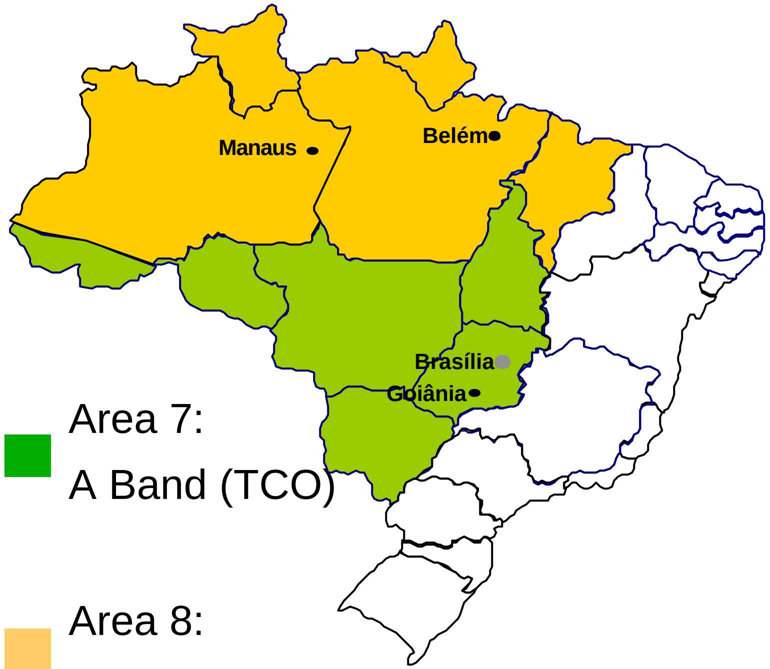
*** As of December 2002

TCO Enhances TCP’s Value

- TCO is a well managed and profitable company (EBITDA margin of 43%*), with a net cash position (R$105 million*) and sizeable free cash flow
- TCP will be able to draw on its strengths to capture significant synergies:
  - Leverage on strong management skills and solid “know-how” of the region
  - Coordinate new product development
  - Maximise profitability through technical and operational synergies
  - Improve negotiating position with suppliers as a result of increased scale
- TCO’s incorporation in TCP will increase its scale and further enhance TCP’s position to cope with an increasingly more competitive environment
- Extended footprint will allow fully digital roaming in Brasilia improving TCP´s ability to retain corporate and high ARPU clients
- Acquisition price and transaction structure are attractive bearing in mind multiples being offered and limited cash outflow over the next few quarters
- Increases market cap of TCP and liquidity of shares thus reinforcing TCP as the bell weather stock on Bovespa

* As of September 2002

TCO's Main Characteristics



Area 7:
A Band (TCO)

Area 8:
B Band (NBT)

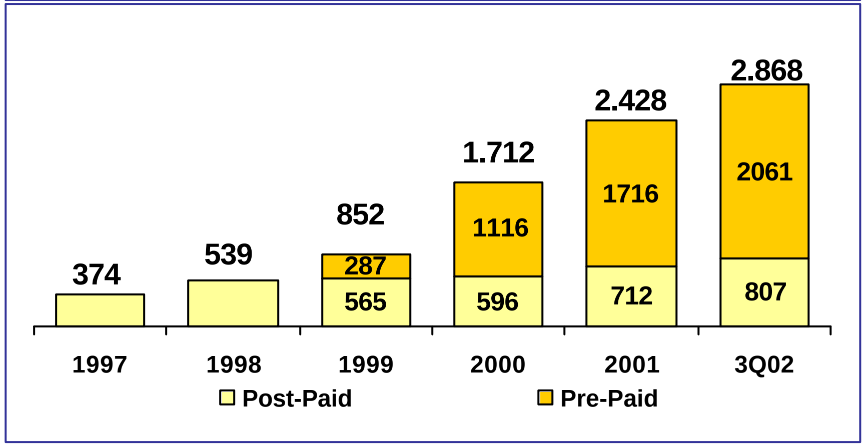
- TCO
  - A band cellular operator in the states of MS, GO, MT, TO, RO, AC and DF (region 7), region with a high per capita GDP growth rate (39% versus 27% Brazilian average between 1990 and 1999)
  - Penetration of 20.3%*
  - Highest market share in Brazil with 75%*
- NBT
  - B band operator in the states of AM, RR, PA, AP, MA (region 8), region with a high per capita GDP growth rate (55% versus 27% Brazilian average between 1990 and 1999)
  - Penetration of 9.2%*
  - 37% market share*
  - First Band B operator to reach positive net income, even though it was the last to start operations

* As of September 2002

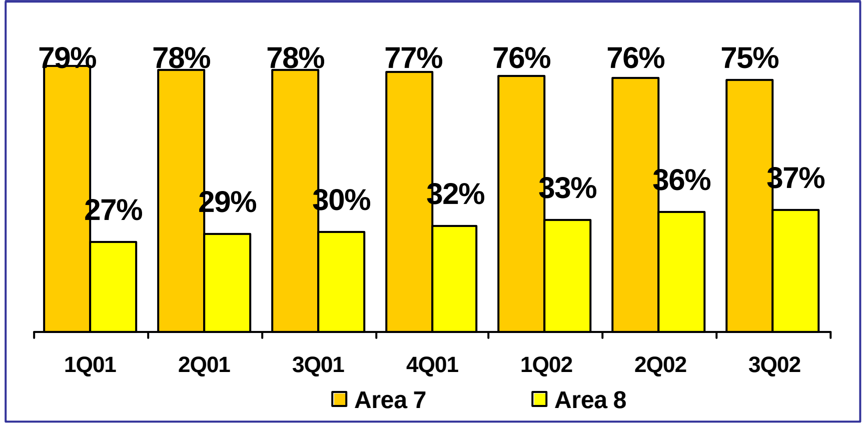
TCO has a Sizeable and Rapidly Growing Subcriber Base

- Leading market share position and growing faster than Brazilian average
  - Market share of total clients:
    - Area 7: 75%
    - Area 8: 37%
    - Brazil total: 9.0%
  - Market share of net additions during 3Q02 in Brazil: 14.3% (74% in Area 7 and 58% in area 8)
  - Subscriber growth (1997-3Q02 yoy): 54%
- Low wireless penetration provides significant scope for growth
  - Penetration: 14.6%
    (20.3% in Area 7 and 9.2% in Area 8)
- Increased focus on retaining the most profitable clients, with consistent ARPU improvements throughout 2002
  - Blended ARPU: 1Q02: R$ 39.7
    2Q02: R$ 41.3
    3Q02: R$ 42.6
- Aprox. 400 covered cities
- Well established sales and distribution network
  - 54 own stores
    Aprox. 1,700 unit resellers
    Aprox. 22,000 pre-paid card resellers

Strong Subscriber Growth



Market Share Evolution

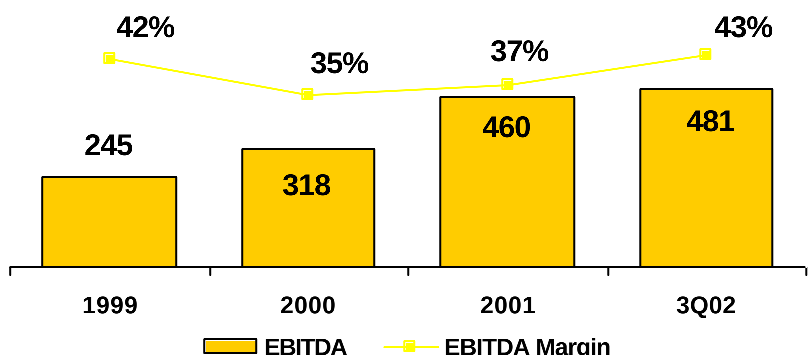


TCO has Solid Fundamentals

P&L (R$ million)

	1999	2000	2001	3Q02
Net Revenues	$579	$903	$1,248	$1,117
EBITDA	245	318	460	481
Margin	42%	35%	37%	43%
Net Earnings	107	91	208	230
Margin	18%	10%	17%	21%
CAPEX	$242	$234	$190	$109
% of net revenues	42%	26%	15%	10%
EBITDA - CAPEX	$2.5	$84	$270	$372

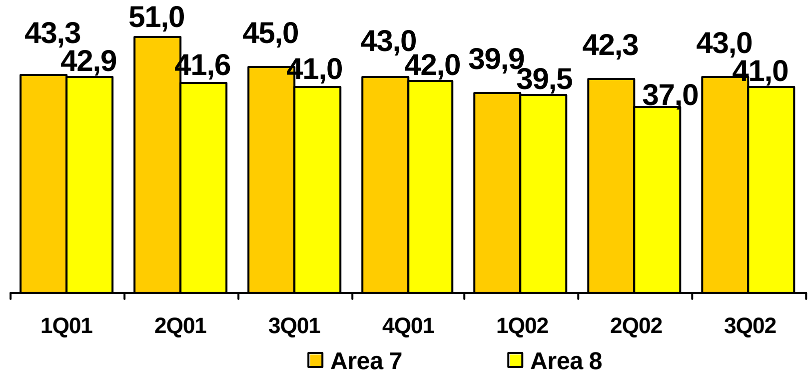
EBITDA Evolution (R$ million)



Balance Sheet (R$ million)

	1999	2000	2001	3Q02
Total Assets	$1,473	$2,086	$2,052	$2,318
Total Debt	131	509	517	696
Net Debt*	-30	83	-172	-198
Share. Equity	1,014	1,067	1,010	1,178

ARPU Evolution (R$)



* Considers short term financial investments as cash. Considers hedge gains in 2002

Transaction Structure

Acquisition of Control

- TCP to acquire TCO ON shares fom Fixcel, representing, 61.1% of the voting and 20.4% of the total capital of TCO*
- Total purchase price of R$1,408 million ("Price"), which may be adjusted based on the outcome of due diligence to be undertaken by TCP
- Payment structured as follows
  - TCP to assume Seller's indebtedness ("Debt") which amounted to approximately R$1,045 million as of January 15, 2003 as follows:
    - R$732 million in debt issued by Fixcel and currently owned by TCO, with the following breakdown:
      - R$207 million due on June 27, 2003
      - R$525 million due on August 8, 2003
    - R$313 million in other debt with financial institutions, paid at their respective maturities
  - R$ 238 million will be paid in Brazilian currency upon closing, accruing interest at CDI (Brazilian Interbank Deposit Rate) plus 2% a.a. from January 15, 2003
  - The balance payment, or approximately R$ 125 million as of January 15, 2003 will be adjusted until closing, and paid in Brazilian currency on a pre-agreed payment schedule with maturities ranging from 12 months to 24 months accruing interest at CDI plus 2%.

* TCO has 5,791.4 million treasury shares. Taking this figures into account, the proportion increases to 64.0% of voting shares and 20.7% of total capital.

Transaction Structure (cont'd)

Tag Along

- TCP to tender for the remaining voting ("ON") TCO shares as per article [254-A] of the Brazilan Capital Markets Law
  - Shares to be acquired at 80% of the price and same consideration

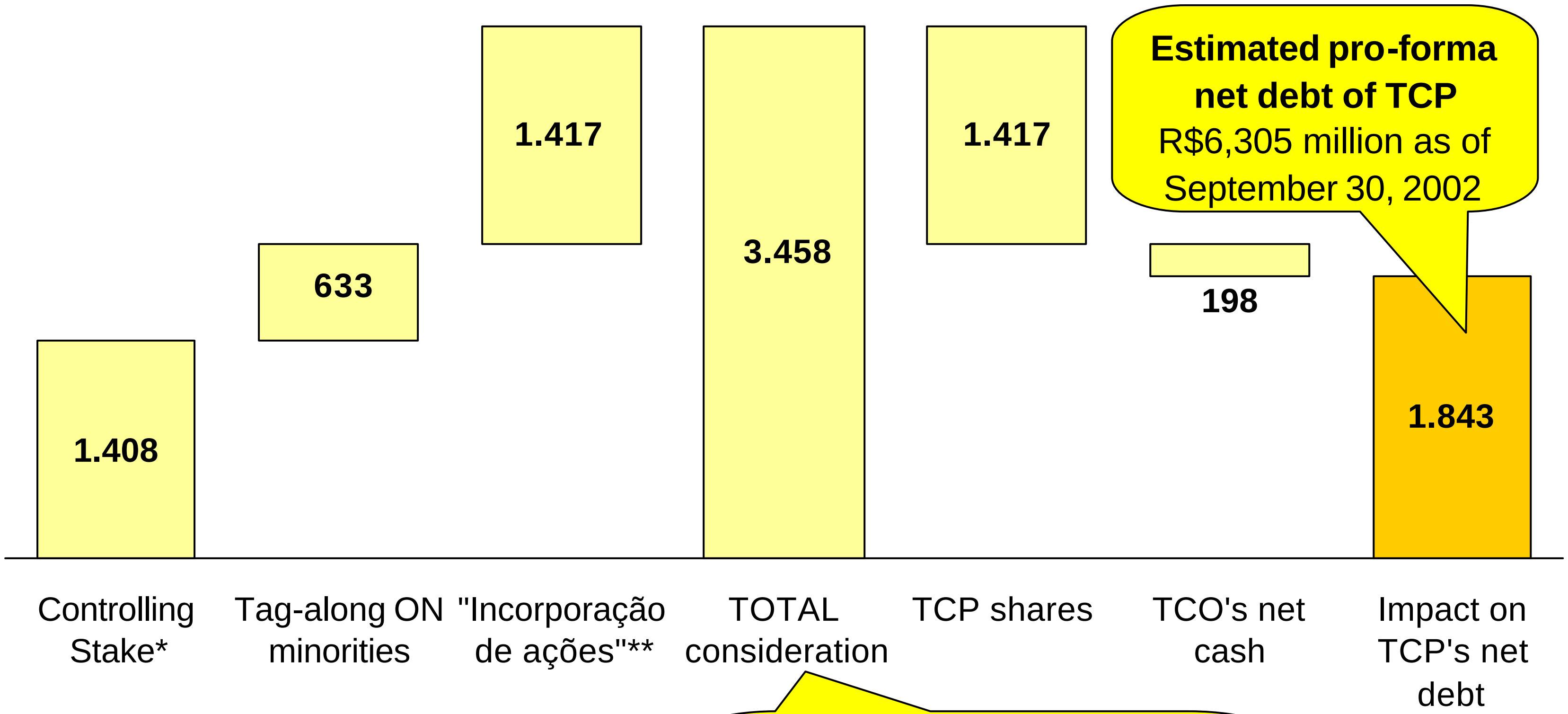
Merger ("Incorporação de ações")

- TCP to merge with TCO through a merger of TCP and TCO through a merger of shares ("*Incorporação de Ações*")
  - Exchange ratio of 1.27 TCP shares for each TCO share
    - Ratio may be adjusted based on the results of the due diligence until closing
  - Exchange ratio based on the analysis prepared by investment banks ("*Laudo de Avaliação*")
    - Represents a 15% premium to last 30 trading days exchange ratio
  - TCP PN shares offered to minority TCO shareholders, diluting its ownership to 51.1% of the economic interest of TCP and will take the necessary actions to preserve the same ON:PN proportion in TCP and as such it will maintain voting control of TCP

Total Price and Payment Conditions

R$ Million

TCO's acquisition consideration | **Impact on TCP's net debt**



	Controlling Stake*	Tag-along ON minorities
Assumption of Debt	1,045***	469
Deferred Capital	125	56
Cash	238	107

Implied 2002E multiples****

EV / EBITDA = 5.1x

EV / Subs. = R$1,057

* Based on 01/15/02 debt figures. Deferred capital components will decrease with increase in debt until closing to keep a constant total price paid to seller

** Based on TCO PN price of R$5.12 as of January 15, 2003 plus 9.5% premium (15% premium over last 30 days' average exchange ration between TCP and TCO PN shares)

*** Includes the R$732 million Fixcel's debentures held by TCO that will be cancelled through the consolidation of TCO on TCP

**** Based on annualized EBITDA of R$ 641 million and year end estimated subscribers of 3,083 thousand

Key Conclusions

- TCP (and the JV) reinforces its leadership in Brazil, reaching more than 10 million subscribers*, with a fully digital roaming offering including the key cities of Sao Paulo, Rio de Janeiro and now Brasilia
- This transaction enhances TCP and the JV's growth prospects and cash flow generation in the medium and long terms
- TCP strengthens its position as the bell weather stock on Bovespa
  - Pro-forma market cap of R$6,597 million**
- TCP will create value by deriving synergies from larger scale and centralized management of contiguous operation just as shown in proven track record at Global Telecom
- Transaction structure and valuation of TCO are in line with the market with initial cash outflow from TCP of R$654mm***
- Post closing of transaction, the net debt to EBITDA multiple is less than 3.0 times with increased operating cash flows - TCP=R$ 830mm plus TCO=R$ 372mm****- being used principally to pay-down TCP's net debt
- Full support of controlling shareholders: Portugal Telecom and TEM

* December 2002
** As of January 15, 2003
*** In the first one month and a half after closing
**** Accumulated Jan-Sep 2002

Key Drivers Pro-Forma*

September 2002, R$ Million

	TCP	TCP + GT	TCP + GT + TCO	Change***
Subscribers	**5.755**	**6.782**	**9.649**	**42%**
Market share of brazilian market	*18,0%*	*21,3%*	*30,3%*	*9,0 pp*
Net Revenues	**2.463**	**2.815**	**3.932**	**40%**
EBITDA	**1.024**	**1.090**	**1.571**	**44%**
EBITDA Margin	*41,6%*	*38,7%*	*40,0%*	*1,2 pp*
CAPEX	**193**	**305**	**414**	**36%**
Capex as % of net Revenues	*7,8%*	*10,8%*	*10,5%*	*-0,3 pp*
EBITDA - CAPEX	**831**	**785**	**1.157**	**47%**
Net Debt**	**3.687**	**4.462**	**6.305**	**41%**
Adjusted Net Debt**	**1.936**	**2.314**	**4.157**	**80%**
Adjusted Net Debt to EBITDA	*1,9*	*2,1*	*2,6*	*0,5*

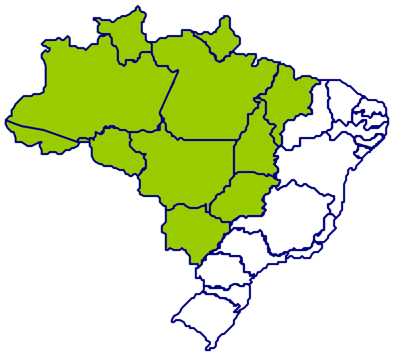
* Includes the acquisition debt as of January 15, 2003

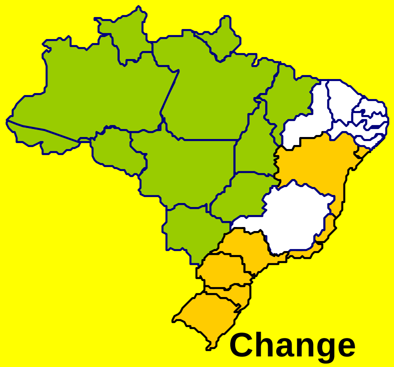
** Net debt does not include derivatives; Adjusted net debt = net debt + derivatives; Does not consider TCO's derivatives impact on debt

*** Change from TCP + GT to TCP + GT + TCO

TCO Reinforces the JV's Leadership Position in the Brazilian Wireless Market

September 2002





September 2002	JV TEM/PT	TCO + NBT	JV + TCO + NBT	Change
Total market share	40.7%	9.0%	**49.7%**	**9.0 pp**
POPs (million)	95.8	31.4	**127.2**	**32.8%**
Subs 3Q02 (million)	13.0	2.9	**15.9**	**22.3%**
Revenues 9M02 (R$ million)	5141.2	1116.9	**6258.1**	**21.7%**
EBITDA 9M02 (R$ million)	1974.5	481.5	**2456.0**	**24.4%**
EBITDA margin (9M02)	38%	43%	**39%**	**1 pp**
EBITDA – CAPEX 9M02 (R$ million)	1362.2	372.5	**1734.7**	**27.3%**

The JV will reach a 50% subscriber market share, 11 million more subscribers than the next competitor, and cover 80% of Brazilian GDP without being exposed to the risks of greenfield operations

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