

TELESP CELLULAR HOLDING CO /ADR/  
Form F-4  
December 16, 2005  
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As filed with the Securities and Exchange Commission on December 16, 2005

Registration No. 333-

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**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM F-4**

**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**TELESP CELULAR PARTICIPAÇÕES S.A.**

To be renamed Vivo Participações S.A. in connection with the transactions described herein

(Exact name of registrant as specified in its charter)

**Telesp Cellular Holding Company**

(Translation of registrant's name into English)

**The Federative Republic of Brazil**  
(State or other jurisdiction of

**4812**  
(Primary Standard Industrial

**Not Applicable**  
(I.R.S. Employer

incorporation or organization)

Classification Code #)  
**Av. Roque Petroni Júnior, 1464**

Identification Number)

**4º Andar Lado A**

**04707-000 São Paulo, SP, Brazil**

**011-55-11-5105-2276**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Puglisi & Associates**

**850 Library Avenue, Suite 204**

**P.O. Box 885**

**Newark, Delaware 19715**

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(302) 738-6680

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copy to:*

**S. Todd Crider, Esq.**

**Simpson Thacher & Bartlett LLP**

**425 Lexington Avenue**

**New York, NY 10017**

**(212) 455-2000**

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effective date of this Registration Statement.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. " \_\_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. " \_\_\_\_\_

**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities to be Registered	Amount to be Registered(1)(2)	Proposed Maximum Aggregate Offering Price(2)(3)	Amount of Registration Fee
Common shares, no par value	8,239,042	U.S.\$ 27,490,182.02	U.S.\$ 2,941.44
Preferred shares, no par value(1)	664,587,459	U.S.\$ 2,620,588,413.70	U.S.\$ 280,402.96

- (1) 360,384,219 of these shares will initially be represented by the registrant's American Depositary Shares (ADSs), each of which represents 1 (one) preferred share, and which are evidenced by American Depositary Receipts (ADRs). A separate registration statement on Form F-6 will be filed to register the ADSs. The remaining 304,203,240 shares will not be represented by ADSs.
- (2) Includes a maximum number of the registrant's shares expected to be issued to holders of ADSs and to U.S. holders of common and preferred shares in connection with the merger described in the accompanying prospectus. The securities to be issued in connection with the merger outside the United States to non-U.S. residents are not registered under this registration statement.
- (3) The Proposed Maximum Aggregate Offering Price (estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(c) and Rule 457(f) under the Securities Act) is calculated in accordance with the exchange ratios of 3.0830, 3.8998, 3.2879 and 7.0294 common shares or preferred shares or ADSs of the registrant to be exchanged for each common share or preferred share held directly by a U.S. resident or each ADS of Tele Centro Oeste Celular Participações S.A. (TCO), Tele Leste Celular Participações S.A. (TLE), Tele Sudeste Celular Participações S.A. (TSD) or Celular CRT Participações S.A. (Celular CRT), respectively, in connection with the merger described in the accompanying prospectus, based on (a) R\$24.73, R\$28.15, R\$24.58 and R\$61.66, the average of the high and low prices of the common shares of TCO, TLE, TSD and Celular CRT, respectively, and R\$27.85, R\$34.90, R\$28.75 and R\$53.50, the average of the high and low prices of the preferred shares of TCO, TLE, TSD and Celular CRT, respectively, as reported on the São Paulo Stock Exchange on December 12, 2005, converted into U.S. dollars based on an exchange rate of R\$2.2634 = U.S.\$1.00, the noon buying rate on December 12, 2005, and (b) U.S.\$12.26, U.S.\$15.20, U.S.\$11.17, the average of the high and low prices of the ADSs of TCO, TLE and TSD as reported on the New York Stock Exchange on December 12, 2005.

**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.**

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**The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

**Subject to Completion, Dated December 16, 2005**

**Telesp Celular Participações S.A.**

**(Telesp Cellular Holding Company)**

Telesp Celular Participações S.A., or TCP, has proposed a merger of shares under Brazilian law (*incorporação de ações*) of its subsidiary Tele Centro Oeste Celular Participações S.A., or TCO, and a merger of companies under Brazilian law (*incorporação de empresas*) of Tele Leste Celular Participações S.A., or TLE, Tele Sudeste Celular Participações S.A., or TSD, and Celular CRT Participações S.A., or Celular CRT, with TCP. The transaction is referred to herein as the merger. TCP, TCO, TLE, TSD and Celular CRT provide cellular telecommunications services in their respective authorized areas in Brazil under the Vivo brand. If the merger is approved:

TCO will become a wholly owned subsidiary of TCP, and TLE, TSD and Celular CRT will merge with and into TCP, with TCP as the surviving company;

holders of American Depositary Shares, or ADSs, of TCO, TLE and TSD will receive, upon surrender of the ADSs and payment of the fees and expenses of the depository of TCO, TLE or TSD, as the case may be, and of the TCP depository:

3.0830 ADSs of TCP for each TCO ADS they hold;

3.8998 ADSs of TCP for each TLE ADS they hold; and

3.2879 ADSs of TCP for each TSD ADS they hold;

holders of common shares and holders of preferred shares of TCO, TLE, TSD and Celular CRT will receive, without any further action by those holders:

3.0830 common shares, no par value, of TCP for each TCO common share they hold, and 3.0830 preferred shares, no par value, of TCP for each TCO preferred share they hold;

3.8998 common shares, no par value, of TCP for each TLE common share they hold, and 3.8998 preferred shares, no par value, of TCP for each TLE preferred share they hold;

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3.2879 common shares, no par value, of TCP for each TSD common share they hold, and 3.2879 preferred shares, no par value, of TCP for each TSD preferred share they hold; and

7.0294 common shares, no par value, of TCP for each Celular CRT common share they hold, and 7.0294 preferred shares, no par value, of TCP for each Celular CRT preferred share they hold.

The merger of each of TCO, TSD and Celular CRT with TCP will require the affirmative vote of holders representing at least 50% plus one of the aggregate TCP common shares and preferred shares that are present at a duly convened extraordinary general meeting, and the affirmative vote of holders representing at least 50% plus one of the aggregate common shares of TCO, TSD or Celular CRT, respectively, at extraordinary general meetings of the common shareholders of those companies. The merger of TLE with TCP will require the affirmative vote of holders representing at least 50% plus one of the aggregate TCP common shares and preferred shares that are present at a duly convened extraordinary general meeting, and the affirmative vote of holders representing at least 50% plus one of the aggregate common shares and preferred shares of TLE at an extraordinary general meeting of the shareholders of that company. We expect the merger to be approved because:

our controlling shareholder, which directly and indirectly holds 92.51% of our common shares and 50.02% of our preferred shares, representing 66.09% of our voting shares, has represented to us that it and its subsidiaries will vote the shares of our company they hold in favor of the merger;

we hold 90.59% of the voting common shares of TCO, and we intend to vote the shares of TCO we hold in favor of the merger; and

our controlling shareholder also holds, directly and indirectly, 68.72% of the common shares and 40.95% of the preferred shares of TLE, representing 50.67% of TLE's total voting shares, 92.01% of TSD's voting common shares, and 90.57% of Celular CRT's voting common shares, and has represented to us that it and its subsidiaries will vote the shares of TLE, TSD and Celular CRT they hold in favor of the merger.

Holders of preferred shares of TCO, TSD and Celular CRT, and holders of ADSs of TCO and TSD do not have the right to vote on the merger.

We will apply to list the TCP ADSs to be received by holders of TCO, TLE and TSD ADSs on the New York Stock Exchange, or the NYSE, under the symbol VIV. Celular CRT does not have an ADS program, and no holder of Celular CRT common shares or preferred shares will receive TCP ADSs. We will apply to list the common shares and preferred shares to be received by holders of TCO, TLE, TSD and Celular CRT on the São Paulo Stock Exchange (*Bolsa de Valores de São Paulo*), or Bovespa, under the symbols VIVO3 and VIVO4, respectively.

This prospectus has been prepared for holders of common shares and preferred shares of TCO, TLE, TSD and Celular CRT residing in the United States, and for holders of ADSs of TCO, TLE and TSD, to provide information about the merger.

**You should read this prospectus carefully. In particular, please read the section entitled Risk Factors beginning on page 41 for a discussion of risks that you should consider in evaluating the transactions described in this prospectus.**

**Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in connection with the merger or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

This prospectus is dated \_\_\_\_\_ and is expected first to be mailed to shareholders on or about that date.

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ANNEX A Information Derived from the Exchange Act Reports filed by Tele Leste Celular Participações S.A.

A-1

ANNEX B Information Derived from the Exchange Act Reports filed by Tele Sudeste Celular Participações S.A.

B-1

**This prospectus includes important business and financial information about TCP that is not included in or delivered with the document. This information is available without charge to security holders upon written or oral request. To obtain timely delivery, security holders must request the information no later than five business days before , 2006, the date of the extraordinary general shareholders meeting scheduled to approve the merger. See Part Seven: Additional Information for Shareholders Incorporation by Reference.**

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**PRESENTATION OF FINANCIAL INFORMATION**

The following financial statements are included or incorporated by reference in this prospectus:

the audited consolidated financial statements of Telesp Celular Participações S.A., or TCP, at December 31, 2003 and 2004 and for the three years in the period ended December 31, 2004 incorporated by reference in this prospectus from the Annual Report of Telesp Celular Participações S.A. on Form 20-F for the Fiscal Year Ended December 31, 2004;

the unaudited condensed consolidated interim financial statements of TCP at September 30, 2005 and for the nine months ended September 30, 2004 and 2005 included in Part Nine: Financial Statements of this prospectus;

the audited consolidated financial statements of Tele Centro Oeste Celular Participações S.A., or TCO, at December 31, 2003 and 2004 and for the three years in the period ended December 31, 2004 incorporated by reference in this prospectus from TCO's Annual Report on Form 20-F for the fiscal year ended December 31, 2004;

the unaudited condensed consolidated interim financial statements of TCO at September 30, 2005 and for the nine months ended September 30, 2004 and 2005 included in Part Nine: Financial Statements of this prospectus;

the audited consolidated financial statements of Tele Leste Celular Participações S.A., or TLE, at December 31, 2003 and 2004 and for the three years in the period ended December 31, 2004 included in Annex A to this prospectus (Information Derived from TLE's Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2004);

the unaudited condensed consolidated interim financial statements of TLE at September 30, 2005 and for the nine months ended September 30, 2004 and 2005 included in Part Nine: Financial Statements of this prospectus;

the audited consolidated financial statements of Tele Sudeste Celular Participações S.A., or TSD, at December 31, 2003 and 2004 and for the three years in the period ended December 31, 2004 included in Annex B to this prospectus (Information Derived from TSD's Annual Report on Form 20-F for the Fiscal Year Ended December 31, 2004);

the unaudited condensed consolidated interim financial statements of TSD at September 30, 2005 and for the nine months ended September 30, 2004 and 2005 included in Part Nine: Financial Statements of this prospectus;

the audited consolidated financial statements of Celular CRT Participações S.A., or Celular CRT, at December 31, 2003 and 2004 and for the three years in the period ended December 31, 2004 included in Part Nine: Financial Statements of this prospectus; and

the unaudited condensed consolidated interim financial statements of Celular CRT at September 30, 2005 and for the nine months ended September 30, 2004 and 2005 included in Part Nine: Financial Statements of this prospectus.

We prepare our financial statements in accordance with accounting practices adopted in Brazil, which include accounting practices derived from the Brazilian corporation law, regulations applicable to public telecommunications service concessionaires and accounting regulations and procedures established by the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or CVM. We refer to these accounting practices in this prospectus as generally accepted accounting principles in Brazil, or Brazilian GAAP.





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Brazilian GAAP differs in significant respects from generally accepted accounting principles in the United States, or U.S. GAAP. The notes to the financial statements of TCP, TCO, TLE, TSD and Celular CRT included or incorporated by reference in this prospectus contain explanations of these differences as they relate to those companies:

For an explanation of these differences as they relate to TCP, see note 21 to TCP's unaudited consolidated financial statements at September 30, 2005 and for the nine months ended September 30, 2004 and 2005 and note 37 to TCP's audited consolidated financial statements at December 31, 2003 and 2004 and for the three years in the period ended December 31, 2004.

For an explanation of these differences as they relate to TCO, see note 37 to TCO's audited consolidated financial statements at December 31, 2003 and 2004 and for the three years in the period ended December 31, 2004 and note 21 to TCO's unaudited consolidated financial statements at September 30, 2005 and for the nine months ended September 30, 2004 and 2005.

For an explanation of these differences as they relate to TLE, see note 34 to TLE's audited consolidated financial statements at December 31, 2003 and 2004 and for the three years in the period ended December 31, 2004 and note 20 to TLE's unaudited consolidated financial statements at September 30, 2005 and for the nine months ended September 30, 2004 and 2005.

For an explanation of these differences as they relate to TSD, see note 35 to TSD's audited consolidated financial statements at December 31, 2003 and 2004 and for the three years in the period ended December 31, 2004 and note 21 to TSD's unaudited consolidated financial statements at September 30, 2005 and for the nine months ended September 30, 2004 and 2005.

For an explanation of these differences as they relate to Celular CRT, see note 31 to Celular CRT's audited consolidated financial statements at December 31, 2003 and 2004 and for the three years in the period ended December 31, 2004 and note 19 to Celular CRT's unaudited consolidated financial statements at September 30, 2005 and for the nine months ended September 30, 2004 and 2005.

References to the *real*, *reais* or R\$ are to Brazilian *reais* (plural) and the Brazilian *real* (singular), and references to U.S. dollars or U.S.\$ are to United States dollars.

This prospectus contains translations of various *real* amounts into U.S. dollars at specified rates solely for your convenience. You should not construe these translations as representations by us that the *real* amounts actually represent these U.S. dollar amounts or could be converted into U.S. dollars at the rates indicated. Unless otherwise indicated, we have translated some Brazilian currency amounts using a rate of R\$2.2222 to U.S.\$1.00, the PTAX selling rate of the Central Bank of Brazil (*Banco Central do Brasil*) at September 30, 2005.

In this prospectus, TCP, we, us and our refer to Telesp Celular Participações S.A. and its consolidated subsidiaries. References to the Targets refer to TCO, TLE, TSD and Celular CRT. References to New TCP refer to TCP upon consummation of the merger.

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**CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS**

We have made forward-looking statements in this prospectus that are subject to risks and uncertainties. These forward-looking statements relate to among other things:

management strategy;

synergies and cost savings;

integration of new business units;

market position and the size of the Brazilian telecommunications market;

statements concerning the operations and prospects of our company and the other Vivo companies;

estimated demand forecasts;

the ability of our company and of the other Vivo companies to secure and maintain telecommunications infrastructure licenses, rights of way and other regulatory approvals;

our strategic initiatives and plans for business growth;

industry conditions;

our funding needs and financing sources;

network completion and product development schedules;

expected characteristics of competing networks, products and services;

influence of controlling shareholders;

litigation; and

the timetable for the merger.

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Forward-looking statements also may be identified by words such as believes, expects, anticipates, projects, intends, should, seeks, or future or similar expressions. The sections of this prospectus that contain forward-looking statements include:

Part One: Questions and Answers About the Merger ;

Part Two: Summary ;

Part Three: Risk Factors ;

Part Five: The Merger Reasons for the Merger , Management and Unaudited Pro Forma Combined Financial Data ;

Part Six: Shareholder Rights ;

Part Seven: Additional Information for Shareholders Enforceability of Civil Liabilities Under U.S. Securities Laws ; and

Part Eight: Legal and Regulatory Matters General.

These statements reflect our current expectations. They are subject to a number of risks and uncertainties, including but not limited to changes in technology, regulation, the global cellular communications marketplace and local economic conditions. In light of the many risks and uncertainties surrounding this marketplace, you should understand that we cannot assure you that the forward-looking statements contained in this prospectus will be realized. You are cautioned not to put undue reliance on any forward-looking information.

We undertake no obligation to publicly update or revise these forward looking statements after the date we distribute this prospectus.

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**PART ONE QUESTIONS AND ANSWERS ABOUT THE MERGER**

***Q: What is the merger?***

**A:** Telesp Celular Participações S.A., or TCP, has proposed a merger of shares (*incorporação de ações*) of its subsidiary Tele Centro Oeste Celular Participações S.A., or TCO, and a merger of companies (*incorporação de empresas*) of Tele Leste Celular Participações S.A., or TLE, Tele Sudeste Celular Participações S.A., or TSD, and Celular CRT Participações S.A., or Celular CRT, each a company under common control with TCP. The transaction is referred to herein as the merger. The merger is a Brazilian law procedure under which TCO will become a wholly owned subsidiary of TCP, each of TLE, TSD and Celular CRT will merge with and into TCP with TCP as the surviving company, and holders of common shares or preferred shares, or (where applicable) ADSs, of TCO, TLE, TSD and Celular CRT will receive common shares or preferred shares, or ADSs, respectively, of TCP upon approval of the merger by the requisite percentage of the voting shareholders of TCP, on one hand, and of TCO, TLE, TSD and Celular CRT, as the case may be, on the other hand.

***Q: What are the reasons for the merger?***

**A:** We believe the merger will enable us to:

align the interests of the shareholders of TCP, of its subsidiary TCO, and of TLE, TSD and Celular CRT, which are all currently under common control;

provide you with securities that we expect will enjoy greater market liquidity than the securities you currently hold;

simplify the shareholding and organizational structure of the VIVO business and expand its shareholder base; and

take advantage of important synergies among the companies, which are already operating under the same brand name VIVO .

***Q: What will happen to my shares in the merger?***

**A:** If you are a direct holder of common shares or preferred shares of:

TCO, you will receive 3.0830 common shares or preferred shares of TCP for each common share or preferred share of TCO that you hold, respectively;

TLE, you will receive 3.8998 common shares or preferred shares of TCP for each common share or preferred share of TLE that you hold, respectively;

TSD, you will receive 3.2879 common shares or preferred shares of TCP for each common share or preferred share of TSD that you hold, respectively; or

Celular CRT, you will receive 7.0294 common shares or preferred shares of TCP for each common share or preferred share of Celular CRT that you hold, respectively.

No further action by you is required. An entry or entries will be made in the share registry of TCP to evidence the common shares and preferred shares of TCP you will receive in the merger.

If you are a holder of ADSs of:

TCO, you will receive 3.0830 ADSs of TCP, each representing 1 (one) preferred share of TCP, for each ADS of TCO that you hold, upon surrender of your TCO ADSs and payment of the fees and expenses of the TCO depository and the TCP depository;

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TLE, you will receive 3.8998 ADSs of TCP, each representing 1 (one) preferred share of TCP, for each ADS of TLE that you hold, upon surrender of your TLE ADSs and payment of the fees and expenses of the TLE depository and the TCP depository; or

TSD, you will receive 3.2879 ADSs of TCP, each representing 1 (one) preferred share of TCP, for each ADS of TSD that you hold, upon surrender of your TSD ADSs and payment of the fees and expenses of the TSD depository and the TCP depository.

### ***Q: What shareholder approvals are needed?***

**A:** The merger of each of TCO, TSD and Celular CRT with TCP will require the affirmative vote of holders representing at least 50% plus one of the aggregate TCP common shares and preferred shares that are present at a duly convened extraordinary general meeting, and the affirmative vote of holders representing at least 50% plus one of the aggregate common shares of TCO, TSD and Celular CRT, respectively, at separate extraordinary general meetings.

The merger of TLE with TCP will require the affirmative vote of holders representing at least 50% plus one of the aggregate TCP common shares and preferred shares that are present at a duly convened extraordinary general meeting, and the affirmative vote of holders representing at least 50% plus one of the aggregate common shares and preferred shares of TLE at an extraordinary general meeting of the shareholders of that company.

If you hold common shares of TCO, TLE, TSD or Celular CRT, or preferred shares of TLE, you may vote at the TCO, TLE, TSD or Celular CRT shareholder meeting, respectively. If you hold preferred shares of TCO, TSD or Celular CRT, you are not entitled to vote at the TCO, TSD or Celular CRT shareholder meeting. If you hold TLE ADSs, you are not entitled to attend the TLE shareholder's meeting, but you may communicate your voting instructions to the TLE depository. If you hold ADSs of TCO or TSD, you are not entitled to attend or vote at the TCO or TSD shareholders' meeting.

We expect the merger to be approved because:

Brasilcel N.V., or Brasilcel, which directly and indirectly holds 92.51% of our common shares and 50.02% of our preferred shares, representing 66.09% of our voting shares, has represented to us that it and its subsidiaries will vote the shares of our company they hold in favor of the merger;

We hold 90.59% of the voting common shares of TCO, and we intend to vote the shares of TCO we hold in favor of the merger; and

Brasilcel also holds, directly and indirectly, 68.72% of the common shares and 40.95% of the preferred shares of TLE, representing 50.67% of TLE's total voting shares, 92.01% of TSD's voting common shares, and 90.57% of Celular CRT's voting common shares, and has represented to us that it and its subsidiaries will vote the shares of TLE, TSD and Celular CRT they hold in favor of the merger.

### ***Q: Do I have appraisal rights?***

**A:** Holders of common shares of TCO, TLE, TSD and Celular CRT, and holders of preferred shares of TSD are entitled to appraisal rights in connection with the merger.



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If you hold common shares of TCO, TLE or TSD, or preferred shares of TSD, you will have the right to choose to receive, instead of the TCP common shares or preferred shares, as the case may be, an amount in cash equal to the greater of the amounts shown for that company in the table below:

	Appraisal amounts	
	the greater of	
	Shareholders' equity per share in accordance with Brazilian GAAP (1)	Market value of shareholders' equity per share (1)
	(reais per share)	
TCO (common or preferred shares)	R\$ 21.80	R\$ 18.38
TLE (common or preferred shares)	33.18	24.99
TSD (preferred shares)	22.31	21.97

(1) Calculated as of September 30, 2005 using the methodology described in Part Five: The Merger Appraisal or Dissenters' Rights.

If you hold common shares of Celular CRT, you will have the right to choose to receive, instead of the TCP common shares, an amount in cash equal to R\$37.50 per share, the shareholders' equity per share of Celular CRT in accordance with Brazilian GAAP, calculated as of September 30, 2005 using the methodology described in Part Five: The Merger Appraisal or Dissenters' Rights.

If you have appraisal rights, your appraisal rights will lapse not less than 30 days after publication of the minutes of the extraordinary general shareholders' meeting called to approve the merger.

Any holder of TSD's ADSs that wishes to exercise the appraisal rights relating to the preferred shares of TSD underlying the ADSs held by that holder must surrender the American Depositary Receipts evidencing those ADSs, pay the applicable fees of the depository, withdraw the preferred shares from the TSD ADR program and exercise the appraisal rights relating to those preferred shares directly.

Holders of preferred shares of TCO, TLE and Celular CRT and holders of ADSs of TCO and TLE are not entitled to appraisal or dissenters' rights in connection with the merger under Brazilian law.

**Q:** *Could the merger be unwound?*

**A:** Under the Brazilian corporation law, if management believes that the total value of the appraisal rights exercised by the shareholders of TCP, TCO, TLE, TSD and Celular CRT may put at risk the financial stability of New TCP, management may, within 10 days after the end of the appraisal rights period, call a general meeting of shareholders to either unwind or ratify the merger. Payment relating to the exercise of the appraisal rights will not be due if the merger is unwound. Because it holds a majority of the voting shares of TCP, TCO, TLE, TSD



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and Celular CRT, Brasilcel would be able to cause the unwinding of the merger at the applicable general shareholders meetings.

**Q:** *Why am I receiving this document?*

**A:** This document is a prospectus of TCP relating to the common shares and preferred shares of TCP that the shareholders of TCO, TLE, TSD and Celular CRT will receive in the merger. You are receiving this prospectus because TCP may be deemed to be offering you its shares for purposes of the U.S. Securities Act of 1933, as amended.

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***Q: What will be the accounting treatment of the reorganization?***

**A:** Under Brazilian GAAP, the body of accounting principles we use to prepare our consolidated financial statements, the merger will be accounted for at book value.

Under U.S. GAAP, since TCP and each of Celular CRT, TCO, TLE and TSD are under common control, the exchange of shares of TCP for common and preferred shares of Celular CRT, TCO, TLE or TSD held directly or indirectly by Brasilcel N.V. will be accounted for at historical cost in a manner similar to a pooling of interests. Accordingly, the assets acquired and the liabilities assumed in the merger, as they relate to the portion under common control, will be accounted for based on the historical carrying values of the assets and liabilities of each of Celular CRT, TCO, TLE or TSD, as would be reflected in the consolidated financial statements of Brasilcel N.V. The portion of each of Celular CRT, TCO, TLE or TSD acquired from shareholders unrelated to the controlling shareholders will be accounted for using the purchase method of accounting in accordance with SFAS No. 141, *Business Combinations*. Under the purchase method of accounting, the pro rata assets acquired and liabilities assumed are recorded at their fair values, and any excess of purchase price over the related fair value of net assets acquired is accounted for as goodwill.

***Q: What are the U.S. federal income tax consequences of the merger?***

**A:** If you are a U.S. Holder of TCO common shares or preferred shares (together the TCO shares ) or TCO ADSs, the U.S. federal income tax consequences of the merger are uncertain. If required, TCP intends to take the position that, pursuant to the merger, you generally will not recognize gain or loss for U.S. federal income tax purposes on the receipt of TCP common shares or preferred shares (together the TCP shares ) or TCP ADSs in exchange for your TCO shares or TCO ADSs, except to the extent of any cash received in lieu of fractional shares. If you are a U.S. Holder of common shares or preferred shares (together the shares ) of TLE, TSD or Celular CRT, or ADSs of TLE or TSD, TCP believes you generally will not recognize gain or loss for U.S. federal income tax purposes on the receipt of TCP shares or TCP ADSs in exchange for shares of TLE, TSD or Celular CRT, or ADSs of TLE or TSD, except to the extent of any cash received in lieu of fractional shares. See Part Five: The Merger Material Tax Considerations United States Federal Income Tax Considerations. The tax consequences to you of the merger are complex and will depend on your particular facts and circumstances. You should consult your own tax advisor for a full understanding of the tax consequences of the merger to you.

***Q: When will the merger be completed?***

**A:** The extraordinary general shareholder meeting of each of TCP, TCO, TLE, TSD and Celular CRT will be held on \_\_\_\_\_, 2006, unless any of the meetings is postponed. The merger of each of TCO, TLE, TSD and Celular CRT TCP will take place automatically upon approval of the merger at the shareholder meetings.

***Q: Are any other approvals necessary for the completion of the merger?***

**A:** No.

***Q: After the merger, will I have the same ownership percentage that I now have?***

**A:** No. After the merger, TCP will be a significantly larger company than TCO, TLE, TSD or Celular CRT and will be significantly larger than we were before the merger. You will have a lower percentage ownership in New TCP than you currently have in TCO, TLE, TSD or Celular CRT. Assuming that none of the common shareholders of TCP, TCO, TLE and Celular CRT and none of the common and preferred shareholders of TSD exercises appraisal rights, the following are the percentages of the outstanding capital stock of TCP that former shareholders of TCO, TLE, TSD and Celular CRT, other than the controlling shareholders, will hold:

former TCO shareholders (other than TCP) will hold approximately 13.40%;

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former TLE shareholders (other than Brasilcel) will hold approximately 1.30%;

former TSD shareholders (other than Brasilcel) will hold approximately 1.91%; and

former Celular CRT shareholders (other than Brasilcel) will hold approximately 5.04%.

***Q: How will my rights as a shareholder change after the merger?***

**A:** Your rights as a shareholder of TCP will generally be similar to your rights as a shareholder of TCO, TLE, TSD or Celular CRT. Part Six: Shareholder Rights describes certain differences in the calculation of the preference of preferred shareholders of TCP, TSD, TLE and Celular CRT in the receipt of dividends. The relative amounts that a preferred shareholder would receive under these different calculation methods depends on factors such as the amount of adjusted net income of the company calculated in accordance with the Brazilian corporation law, the company's capital stock and/or the company's shareholders' equity. Part Six: Shareholder Rights also describes some variations in current voting rights of preferred shareholders of the companies.

***Q: When will I receive my TCP ADSs, if applicable?***

**A:** Assuming the merger is completed, we will make the ADSs representing preferred shares of TCP issued in the merger available to U.S. shareholders within three business days after the related preferred shares are deposited with the depository's custodian in Brazil. This deposit is expected to occur after the end of the period for the exercise of appraisal rights, where applicable, which period will end not less than 30 days after the publication of the minutes of the extraordinary general shareholders' meeting called to approve the merger. During that period, the ADSs of TCO, TLE and TSD are expected to continue to trade on the New York Stock Exchange under their existing ticker symbols.

***Q: When will I receive any cash attributable to any fractional TCP security?***

**A:** If you are a registered holder of ADSs of TCO, TLE or TSD and the application of the relevant exchange ratio to the ADSs you hold would result in your receiving a fractional TCP ADS, the TCP depository will sell on the open market the fractional TCP ADS to which you would otherwise be entitled and remit to your broker or custodian or mail you a check for cash in lieu of any fractional TCP ADS you are entitled to receive based on the net proceeds (after deducting applicable fees and expenses, including sales commissions) from the sale on the New York Stock Exchange of the aggregate number of fractional entitlements to TCP ADSs. Payments for interests in fractional TCP ADSs will be available approximately five business days after the TCP depository completes sales of the aggregated fractional TCP ADSs on the New York Stock Exchange.

If you are a beneficial owner of ADSs of TCO, TLE or TSD, you should contact your broker or custodian and inquire as to its procedures for the remittance of any cash attributable to any fractional TCP ADS you would otherwise receive.

If you hold common shares or preferred shares of TCO, TLE, TSD or Celular CRT directly, TCP will make available to you any cash to which you are entitled in connection with the payments for fractional interests in TCP common shares or TCP preferred shares five business days after the proceeds of the sale of all such fractional interests by TCP on the São Paulo Stock Exchange become available to TCP. The sale of such fractional interests in auctions on the São Paulo Stock Exchange will occur as soon as practicable after the completion of the merger and after due notice of the auction is given in accordance with the rules of the São Paulo Stock Exchange.



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***Q:*** *Will I have to pay brokerage commissions?*

***A:*** You will not have to pay brokerage commissions if your TCO, TLE, TSD or Celular CRT shares are registered in your name. If your securities are held through a bank or broker or a custodian linked to a stock exchange, you should consult with them as