NUVEEN OHIO QUALITY INCOME MUNICIPAL FUND INC
Form N-PX
August 30, 2007

FORM N-PX

ANNUAL REPORT OF PROXY VOTING RECORD OF

REGISTERED MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-06385

Nuveen Ohio Quality Income Municipal Fund, Inc.

(Exact name of registrant as specified in charter)

333 West Wacker Drive, Chicago, Illinois 60606

(Address of principal executive offices) (Zip Code)

Gifford R. Zimmerman Chief Administrative Officer

(Name and address of agent for service)

Registrant s telephone number, including area code: 312-917-7700

Date of fiscal year-end: July 31

Date of reporting period: June 30, 2007

Item 1. Proxy Voting Record

The Registrant did not hold any voting securities and accordingly did not vote any proxies during the reporting period.

SIGNATURES:

Pursuant to the requirements of the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Nuveen Ohio Quality Income Municipal Fund, Inc.

By

/s/ Gifford R. Zimmerman Chief Administrative Officer

Date

August 30, 2007

relation to installment BD of the plan (1 - 2 + 3 - 4 + 5d) 59 104

Actuarial assumptions adopted in the calculations:

	PBS - TCO	TCO PREV
Discount rate for actuarial obligation	6.0%	6.0%
Income rate expected on the plan assets	9.0%	9.0%
Estimated rate for salary increase	3.0%	3.0%
Estimated rate for benefits increase	0.0%	0.0%
Estimated long-term inflation rate	5,0%	5,0%
Biometric table of general mortality	UP84 with 1 year aggravation	UP84 with 1 year aggravation
Biometric table of invalidity onset	Mercer Disability	Mercer Disability
Expected rotation rate	Null	0,15/ (Service period + 1)
Probability of retirement	First eligibility for a retirement benefit	100% at the first eligibility for a Plan benefit

The above mentioned rates do not include inflation.

The Company and subsidiaries have recognized the adjustments resulting from the application of CVM Resolution No. 371 in the financial statements as of December 31, 2002, in accordance with NPC 26 of the

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IBRACON (Brazilian Institute of Independent Auditors), in the amounts of R$315 (Company) and R$463 (consolidated).

During 2002, the Company made contributions to the plans PBS-TCO and TCO Prev amounting to R$1,792 (R$552 in 2001), and R$3,229 on a consolidated level (R$2,561 in 2001).

25. Shareholders Equity

A. Capital

The authorized capital at December 31, 2002 and 2001 is 700,000,000 thousand shares. The subscribed and paid-in capital at December 31, 2002 corresponds to R$617,911 (R$588,865 in 2001), represented by 379,200,036,000 shares (366,463,335,000 shares in 2001) with no par value, distributed as follows (in thousands of shares):

	December 31, 2001	December 31, 2002
Common shares	126,433,338	126,433,338
Preferred shares	240,029,997	252,766,698
Total	366,463,335	379,200,036
Book value per thousand shares Corporate Law (in R$)	2.756551	3.213404

The preferred shares are non-voting except under limited circumstances and are entitled to a preferential, noncumulative, 6% dividend based upon their nominal capital value and to priority over the common shares in the case of liquidation. Under the Brazilian Corporation Law, the number of non-voting shares or shares with limited voting rights, such as the preferred shares, may not exceed two-thirds of the total number of shares.

In the General Shareholders Meeting of December 20, 2002, the Company bylaws were amended to adapt them to the New Corporation Law, including the first paragraph of article 10, which assures holders of preferred shares, annually, the right to receive dividend per share corresponding to 3% of net equity per share as per the latest approved balance sheet, whenever the established dividend in accordance with this criterion is higher than the dividend calculated in accordance with the prior criterion, described in the preceding paragraph.

Under the Company s bylaws, if the Company is able to pay dividends in excess of the minimum requirement for preferred shareholders and the remainder of the net income is sufficient to provide equal dividends to both common and preferred shareholders, then the earnings per share will be the same for both common and preferred shareholders.

On June 7, 1990, the Board of Directors of Telebras authorized an increase in Telebras share capital by public offer. During the offer period the CVM initiated an investigation as to whether Brazilian securities law and regulations regarding the correct pricing of the new shares issued had been violated, because the shares were issued at a discount to equity value per share. After its investigation the CVM notified the Federal Prosecutor s Office that it believed no violation occurred since the price was established in line with market prices for Telebras shares traded on the Brazilian stock exchanges. Nevertheless, the Federal Prosecutor decided to pursue the issue through judicial channels. In April 1998, resolution was reached on the disputed Telebras capital increase of 1990. In connection with the resolution Telebras issued 13,718,350 thousand shares of preferred stock.

At a meeting held on June 22, 2001, the Board of Directors of Tele Centro Oeste Celular Participacoes S.A. decided on the acquisition, at market value, of up to 28,150,000,000 shares issued by the Company as follows: 4,750,000,000 common shares and 23,400,000,000 preferred shares representing up to 10% of outstanding common shares and up to 10% of outstanding preferred shares, for cancellation or maintenance in treasury and subsequent disposal, without reducing the capital.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On August 27, 2001, the Extraordinary Shareholders Meeting approved the Company s capital increase through capitalization of retained earnings in the amount of R$185,382, without the issuance of shares.

On the same date, 2,064,307,557 common shares, amounting to R$16,618, were issued to BID S.A. in return for the tax benefit derived from the amortization of the premium reserve.

B. Legal Reserve

Under Brazilian Corporation Law, the Company is required to appropriate 5% of its annual earnings, calculated using Brazilian GAAP, after absorbing accumulated losses, to a legal reserve, which is restricted as to distribution. This reserve may be used to increase capital or to absorb losses, but may not be distributed as dividends.

C. Long Term Revenue Reserve

The long-term revenue reserve represents earned but unrealized revenues resulting from the investments accounted for using the equity method. The reserve is realized when dividends or interest on shareholders equity are received, or other events, according to CVM policies. Upon realization, the reserves are reversed to retained earnings.

At December 31, 2002 and 2001, the Company did not record unearned income reserves as the compulsory dividends did not exceed the realized income.

D. Expansion Reserve

In accordance with Article 196 of Law No. 6,404/76, management will propose at the general shareholders meeting the establishment of a retained income reserve in the amount of R$219,225 relating to the remaining net income balance for the year, after the allocation of the legal reserve and dividends. This reserve will be used for future investment purposes based on the capital budget to be approved by the general shareholders meeting.

Additionally, management will submit for approval and propose to the ordinary shareholders meeting that R$44,252 of the retained earnings balance for 2001, which has not been used in investments, be transferred to the expansion reserve.

E. Dividends/Interest on Own Capital

Pursuant to its by-laws, Tele Centro Oeste Celular Participacoes S.A. is required to distribute as dividends, to the extent amounts are available for distribution, an aggregate amount equal to at least 25% of Adjusted Net Income (as defined below) for each fiscal year. The annual dividend distributed to holders of preferred shares (the Preferred Dividend) has priority in the allocation of Adjusted Net Income. Remaining amounts to be distributed are allocated first to the payment of a dividend to holders of common shares in an amount equal to the Preferred Dividend and the remainder is distributed equally among holders of preferred shares and common shares.

For the purposes of the Brazilian Corporation Law, and in accordance with Tele Centro Oeste Celular Participacoes S.A. s by-laws, the Adjusted Net Income is an amount equal to Tele Centro Oeste Celular Participacoes S.A. s net profits adjusted to reflect allocations to or from (i) the statutory reserve, (ii) a contingency reserve for anticipated losses, if any, and (iii) an unrealized revenue reserve, if any.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Below is the calculation of the minimum amount of dividends that must be distributed:

	2001	2002
Year s net income	208,104	329,183
(+) Reversal of long term revenue reserve	97,675	
(-) Legal reserve	(10,405)	(16,459)
(=)Adjusted net profit	295,374	312,724
Mandatory dividends (25%)	73,844	78,181
Common shares	25,477	26,068
Preferred shares	48,367	52,113
Dividends value per lot of thousand shares R$	0.202	0.206

In 2002, interest on shareholders equity of R$93,499 (R$0.246569 per lot of thousand shares) was paid to shareholders as a dividend. This dividend was paid net of a 15% withholding tax. As approved at a shareholders meeting, this dividend was distributed as follows:

	2001	2002
Common shares	13,775	30,208
Preferred shares	6,225	63,291
Withholding tax	(6,000)	(14,025)
	34,000	79,474

In 2002 no dividends were proposed as the amount of distributed interest on shareholders equity was higher than the minimum required.

At December 31, 2001, dividends of R$40,500, to be distributed as follows:

	2001	2002
Common shares	13,932	
Preferred shares	26,568	
	40,500	

F. Treasury Stock

The following is a summary of treasury stock transactions for 2002 and 2001:

	Preferred Shares	Common Shares
Treasury shares, January 1, 2001		
Acquired	336,900,000	747,178,000
Treasury shares, December 31, 2001	336,900,000	747,178,000
Acquired	3,610,300,000	5,044,215,747
Sold	(3,610,300,000)	
Canceled	(336,900,000)	
Treasury shares, December 31, 2002		5,791,393,747

Common shares were acquired at a cost ranging from R$4.20 to R$9.01 per lot of thousand shares.

Preferred shares were acquired at a cost ranging from R$2.26 to R$5.86 per lot of thousand shares.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

G. Retained Earnings

The remaining balance of retained earnings, adjusted in accordance with Article 202 of Law No. 6,404/76, in the amount of R$284,528 at December 31, 2002 (R$395,132 in 2001), will be used for future investments according to the capital budget to be presented at the General Shareholders Meeting.

26. Transactions with Related Parties

	Fixcel S.A.	Splice do Brasil S.A.	Banco Credibel	SPL Construtora e Pavimentadora	CSM Cartoes S.A.	2002 Total	2001 Total	2000 Total
Assets								
Cash and cash equivalents								713
Short-term investments			6,463			6,463	17,353	6,527
Debentures	712,135					712,135		
Commercial paper							362,310	77,743
Loan agreement								2,673
Others assets	40,226					40,226		
Liabilities								
Suppliers		3,215	49		819	4,083	1,241	1,452
Interest on own capital	14,104					14,104	6,671	
Dividends							7,505	
Transactions								
Income from short-term investments	65,169	44,173	2,615			111,957	41,038	11,078
Income on premium (Coverage Participacoes)	5,967					5,967		
Financial expenses	16,596	7,393				23,989	7,850	
Maintenance services		12,532				12,532	1,968	3,508
Other materials							10	
Acquisition of telephone cards					5,854	5,854	920	2,121
Acquisition of property, plant and equipment		4,236		3,458		7,694	11,795	5,112

The majority shareholder of the Company is BID S.A., which is controlled by Fixcel S.A., which in turn is under common control with Banco Credibel, SPL Construtora e Pavimentadora and CSM Cartoes S.A. (Splice Group). Prior to 2002, BID S.A. was controlled by Splice do Brasil S.A.

According to a contract entered into between Splice do Brasil S.A. and the subsidiaries of Tele Centro Oeste Celular Participacoes S.A., technical assistance services are payable to Splice do Brasil S.A. corresponding at 1% of the net operating income. For the year ended December 31, 2002 the amount of R$12,532 was charged to general and administrative expenses.

In January 2002, the Company made an advance payment of R$34,259 to BID S.A. corresponding to the present value of the tax benefit on the merged premium. The amount was increased by R$5,967 based on market rates at December 31, 2002.

All transactions with related parties were carried out in accordance with the Company s Articles of Incorporation and under agreed upon rates.

B-102

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. Insurance

At December 31, 2002, in the opinion of management, all significant or high risk assets and obligations were insured.

28. Financial Instruments

A. Fair Value of Financial Assets and Liabilities

Estimated fair values of the Companies financial assets and liabilities have been determined using available market information and appropriate valuation methodologies. However, considerable judgment was required in interpreting market data to produce the estimated fair values. Accordingly, the estimates presented below are not necessarily indicative of the amounts that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair values. The amount relating to foreign currency loans indexed at originally contracted rates corresponds to R$398,819 (R$307,682 in 2001) which has been monetarily adjusted by rates derived from swap contracts. The difference between the loan amounts and the swap contracts was recorded as other payables at December 31, 2002. The fair value information as of December 31, 2002 and 2001 presented below is based on pertinent information available to management as of those dates.

	2001		2002	
	Book Value	Fair Value	Book Value	Fair Value
Loans and financing	516,984	516,136	627,780	608,562
Marketable securities	362,310	362,310	712,135	712,135

The valuation method used for calculating the market value of loans, financing and swap contracts was based on discounted cash flow, considering the expectations of liquidation or realization of liabilities and assets at market rates in effect at the balance sheet date. The Company intends to keep the hedge operations up to the respective maturity.

Cash, Cash Equivalents, Accounts Receivable, Other Current Assets, Accounts Payable and Accrued Expenses

Cash, cash equivalents, accounts receivable, other current assets, accounts payable and accrued expenses represent a reasonable estimate of their fair market value. The cash equivalents are represented mainly by short term financial investments. The fair market values of such investments and other short term investments, as well as the bank deposits that do not meet the definition of short term investments were estimated using the rates currently offered for deposits with similar due dates.

Loans and Financing

Interest rates currently available for the Companies when issuing debts with similar conditions were used in order to estimate the fair market value.

B. Risk Factors

I) Exchange Rate Risk

This risk relates to the possibility of the Company computing losses derived from foreign exchange rate fluctuations, increasing the debt balance derived from foreign currency loans obtained in the market and financial expenses. In order to reduce this type of risk, the Company enters into hedge contracts (swaps of CDI) with financial institutions.

B-103

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At December 31, 2002, the total debt amounted to R$627,780 of which 67.18% is in foreign currency (63.53% adjusted by the U.S. dollar and 3.65% denominated in a currency basket of BNDES). From the U.S. dollar portion, 85.75% is protected by hedge operations at the end of the quarter. From the total in foreign currency, 81.09% was protected by hedge operation. The hedge operations were carried out in order to partially cover the future maturity of debts in U.S. dollars, with fixed or variable interest. The gains or losses from such operations are recorded in the statement of operations.

II) Interest Rate Risk

The risk relates to the possibility of the Company computing losses resulting from interest rate fluctuations, increasing the debt balances of loans obtained in the market and the financial expenses. The Company has entered into hedge contracts against this risk. However, the Company constantly monitors the market interest rates in order to assess the need for contracting derivatives and obtain protection against the risk of interest rates volatility.

At December 31, 2002, the Company presents the amount of R$206,066 (R$196,654 at December 31, 2001) in loans and financing in national currency obtained at various fluctuating rates (as explained in Note 14) as well as short-term investments in the amount of R$121,362 (R$280,730 at December 31, 2001) and investments in marketable securities of R$712,135 (R$362,310 at December 31, 2001) based on the CDI variation.

At December 31, 2002, the Company presents R$163,358 (R$61,708 at December 31 2001) in loans and financing in foreign currency at variable interest rates (Libor renegotiated on a semiannual basis) and hedge contracts for these operations amounting to R$106,930 (R$27,374 at December 31, 2001) at fixed interest rates plus the exchange variation.

Another risk to which Tele Centro Oeste Celular Participacoes S.A. and subsidiaries are exposed is the noncorrelation between the monetary correction indices on their debts and accounts receivable. The telephone charge adjustments do not necessarily correspond to the local interest rates rise affecting the Company s debts.

III) Operating Credit Risk

The risk relates to the possibility of the Company computing losses derived from difficulties in collecting the amounts billed to customers, represented by cellular equipment dealers and distributors of prepaid telephone cards. In order to reduce this type of risk, the Company performs credit analyses supporting the risk management over collection problems and monitors the accounts receivable from subscribers, blocking the calling capacity in case customers fail to pay their debts. With respect to shops and distributors, the Company maintains individual credit limits based on the analysis of sales potential, risk history and collection problem risks.

Credit Risk Linked to Rendering of Services

The credit risk in relation to accounts receivable from cellular telephone services is diversified.

Credit Risk Linked to the Sale of Equipment

The Company s policy for selling equipment and distributing prepaid telephone cards is closely related to the credit risk levels accepted during the normal course of business. The selection of partners, the diversification of receivables portfolio, the monitoring of loan terms, position and request limits established for dealers, obtaining guarantees are procedures adopted by the Company in order to minimize possible collection problems with its trading partners.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

IV) Financial Credit Risk

The risk relates to the possibility of the Company computing losses derived from difficulties in the realization of short-term investments and hedge contracts. The Company and subsidiaries minimize the risks associated with these financial instruments by investing with good rating financial institutions.

29. Summary of Differences Between Brazilian and US GAAP

The Company s accounting policies comply with the accounting principles generally accepted in Brazil (Brazilian GAAP). The accounting principles and policies practiced in the United States of America (US GAAP), which differ significantly from Brazilian GAAP, are described below.

A. Different Criteria for Capitalizing and Amortizing Capitalized Interest

Through December 31, 1993, interest was not capitalized as part of the individual assets in property, plant and equipment. Instead, it was capitalized separately and amortized over a time period different from the useful lives of the related assets. Under US GAAP, capitalized interest is added to the individual assets and is amortized over their estimated useful lives. Additionally, until December 31, 1998, Brazilian GAAP for telecommunications companies required that interest attributable to construction-in-progress was computed at a rate of 12% per annum of the balance of construction-in-progress and the portion which relates to interest on third party loans was credited to financial expenses based on actual interest costs. The portion relating to its own capital was credited to capital reserves. Since January 1, 1999, this practice was not required anymore and CVM Instruction No. 193/96 came to be used. In 2002, 2001 and 2000, the Company did not capitalize interest attributable to construction-in-progress for Brazilian GAAP.

Under US GAAP, according to Statement of Financial Accounting Standard (SFAS) No. 34 Capitalization of Interest Cost , the interest incurred on borrowings is capitalized to the extent that borrowings do not exceed construction-in-progress. The credit is a reduction of interest expense. Furthermore, the amount of interest capitalized excludes the monetary gains associated with the borrowing and the foreign exchange gains and losses on foreign currency borrowings.

B. Different Criteria for Capitalizing and Amortizing Capitalized Interest

The effects of these different criteria for capitalizing and amortizing capitalized interest are presented below:

	2000	2001	2002
Capitalized Interest Difference			
US GAAP Capitalized Interest			
Interest which would have been capitalized and credited to income under US GAAP (where interest incurred on loans from the parent Company and from third-parties, net of gains and losses due to monetary variations, except in years where total loans exceeded total construction-in-progress, when capitalized interest is reduced proportionally)	14,118	16,209	13,476
US GAAP difference	14,118	16,209	13,476
Amortization of Capitalized Interest Difference			
Amortization under Brazilian GAAP	10,296	11,323	11,323
Less amortization under US GAAP	(4,287)	(6,325)	(8,165)

US GAAP difference	6,639	4,998	3,158

B-105

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

C. Pension and Other Post-Retirement Benefits

The Company participates in a multi-employer pension plan with respect to its retired employees and a multiple employer with respect to its active employees. The Company also participates in multi-employer post-retirement benefit plan for all of its retired employees and active employees electing the defined contribution plan. Under Brazilian GAAP, annual pension contributions are expensed as the annual pension cost, and no liability for future obligations is recorded. US GAAP requires accounting for such benefit costs in accordance with SFAS 87 Employers Accounting for Pensions. At December 31, 2000, accrued pension costs of R$1,358, respectively were recorded for US GAAP purposes. See note 30a. During 2000, the Company introduced a defined contribution plan in which active employees could elect participation in lieu of participation in the defined benefit pension plan. Employees who elected participation in the defined contribution plan automatically lose their right to participate in the post-retirement health care plan.

D. Disclosure Requirements

US GAAP disclosure requirements differ from the Brazilian ones. However, in these consolidated financial statements, the level of disclosure has been expanded to comply with US GAAP.

E. Interest Expense

Brazilian GAAP requires that interest be shown as part of the operating profit. Under US GAAP, interest expense would be shown after the operating profit and accrued interest would be included in accounts payable and accrued expenses. Additionally, under Brazilian GAAP, interest expense may be imputed on capital and included in operating income. This imputed interest is then reversed from non-operating income. Under US GAAP, interest is not imputed on capital.

F. Employees Profit Sharing

Brazilian GAAP requires that employees profit sharing is presented as a non-operating expense. Under US GAAP, the employees profit sharing would be included as an operating expense.

G. Permanent Assets

Brazilian GAAP includes a class of assets called permanent assets . This is the collective name for all assets subject to indexation adjustments, according to Brazil s corporation law and the tax legislation. Under US GAAP, the assets in this classification would be noncurrent assets and property, plant and equipment.

H. Price-Level Adjustments and US GAAP Presentation

The effects of price-level adjustments have not been eliminated from the reconciliation with US GAAP, nor are the monetary gains or losses associated with the various US GAAP adjustments identified separately. The application of inflation restatement as measured by the UFIR and the IGP-M represents a comprehensive measure of the effects of price level changes in the Brazilian economy and, as such, is considered a more meaningful presentation than the historical cost-based financial reporting for Brazilian GAAP and is acceptable for US accounting purposes.

I. Income Taxes

For Brazilian GAAP, the deferred tax charges relating to the deferred income tax effects of indexation adjustments for 2000, were recorded directly against shareholders equity. Under U.S. GAAP, for purposes of financial statements, the effects of the indexation adjustments made in 2000 on the deferred income tax, would be charged to the income and social contribution taxes in the consolidated statements of operations.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

J. Earnings Per Share

In 2002, 2001, and 2000, the Brazilian GAAP computation of earnings per share is based on shares outstanding at year end, and does not distinguish between common and preferred shares. Under U.S. GAAP Statement of Financial Accounting Standards No. 128, Earnings per Share , the computation is based on the weighted average shares outstanding during the year, excluding treasury stock.

K. Deferred Taxes

The deferred income tax liability resulting from the indexation of permanent assets of R$23,956 in 2000 was charged directly to shareholders equity in accordance with Brazilian GAAP, whereas for U.S. GAAP the charge would be to income for the year. The deferred tax effect related to previously recorded indexation of permanent assets amount to R$15,771, R$17,403 and R$12,901 in 2002, 2001 and 2000, respectively, and was charged directly to the income statement for Brazilian GAAP and US GAAP purposes. See further information related to these amounts in note 2.b iii and note 10.

L. Valuation of Long-Lived Assets

SFAS No. 144 provides a single accounting model for long-lived assets to be disposed of. SFAS No. 144 also changes the criteria for classifying an asset as held for sale; and broadens the scope of businesses to be disposed of that qualify for reporting as discontinued operations and changes the timing of recognizing losses on such operations. The Company adopted SFAS No. 144 on January 1, 2002. The adoption of SFAS No. 144 did not affect the Company s financial statements.

In accordance with SFAS No. 144, long-lived assets, such as property, plant, and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the balance sheet.

Goodwill and intangible assets not subject to amortization are tested annually for impairment, and are tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the asset s fair value.

Prior to the adoption of SFAS No. 144, the Company accounted for long-lived assets in accordance with SFAS No. 121, ACCOUNTING FOR IMPAIRMENT OF LONG-LIVED ASSETS AND FOR LONG-LIVED ASSETS TO BE DISPOSED OF.

M. Costs of Start-Up Activities

According to the Brazilian GAAP, the deferment of start-up costs is possible and was recorded in relation to the start-up of the operations of certain subsidiaries.

In April 1998, the AICPA issued Statement of Position 98-5, Reporting on the Costs of Start-up Activities . This statement became effective in 1999 and requires costs of start-up activities and organization cost to be expensed as incurred.

Thus, the adjustment to shareholders equity in 2002 of R$28,743 (R$32,981 in 2001) was recorded for US GAAP purposes.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

N. Revenue Recognition

Until December 31, 1997, under both Brazilian and US GAAP, revenues from activation fees were recognized upon activation of each customer s services. Under US GAAP, effective as of January 1, 1998, net revenues from activation fees were deferred and amortized over the estimated effective contract life. Beginning in 2000, there were no differences regarding the revenue recognition criteria between Brazilian GAAP and US GAAP because the Companies ceased charging activation fees.

O. Premium Coverage Participacoes S.A.

As discussed in note 16, in 1999 the Company recognized an asset for Brazilian GAAP purposes of R$354,786, and the related amortization of R$5,913, as a result of an intangible asset created when BID S.A. purchased the controlling interest of the Holding Company, and subsequently pushed the asset down to the Holding Company. For US GAAP purposes, these amounts were excluded from net equity and net income in 1999. In 2000 and 2001, as a result of a change in Brazilian accounting principle, only the future tax benefits of the transaction could be considered as an asset.

Under Brazilian GAAP the amortization of the premium is recorded as an expense in the net nonoperating results with an equal offsetting reduction of the tax provision. Under US GAAP only the current and deferred provision is affected. Also since 2000, the future amortization deductions of this amount became utilizable for tax purposes. Therefore, for US GAAP purposes, in accordance with EITF 94-10, the future tax benefits resulting from transactions with shareholders were recognized as an asset but are not included in the Company s income statement, but rather in equity.

P. Amortization of Concession

For Brazilian GAAP purposes, the amortization period of the concession (license) for the Band B Company, Norte Brasil Telecom S.A. is 30 years in 2000, which included an additional 15 years assuming renewal by Anatel. For US GAAP purposes, the amortization period of 15 years includes only the initial term of the concession.

In 2001, the Company changed the amortization period to 15 years with the aim of conforming the Brazilian GAAP treatment with the US GAAP treatment.

Q. Interest on Own Capital

For Brazilian GAAP purposes, the interest on one s own capital is considered a financial expense in operating income, and then reclassified to equity as a dividend. For US GAAP purposes, interest on one s own capital directly reduces equity as a dividend.

R. Investments in Marketable Securities

Under Brazilian GAAP, marketable securities are valued based on historical cost plus accrued interest. US GAAP requires securities be valued in accordance with SFAS 115, Accounting for Certain Investments in Debt and Equity Securities . All the marketable securities would be considered available-for-sale under SFAS 115, however since the fair value equals the carrying value there is no adjustment to equity.

S. Derivatives and Hedging Activities

As of January 1, 2001, the Company adopted Financial Accounting Standards Board Statement No. 133, Accounting for Derivative Instruments and for Hedging Activities (SFAS 133), which was issued in June, 1998 and its amendments Statements 137, Accounting for Derivative Instruments and Hedging Activities Deferral of the Effective Date of FASB Statement No. 133 and 138, Accounting for Derivative Instruments

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

and Certain Hedging Activities issued in June 1999 and June 2000, respectively (collectively referred to as Statement 133). Under Brazilian Corporate Law, the Company has been recording its hedging activities in the balance sheet as either an asset or liability measured at the spot rates at December 31, 2002 plus the coupon rate as stated in the agreements and adjustments to contract value were recorded through income.

Swaps

At December 31, 2001 and 2002 the Company had entered into swaps whereby the Company earns the exchange variation between the United States dollar and the Brazilian Real plus 6.05% to 46.0% and pays interest based on a short term interbank rate. At December 31, 2002 these agreements have total notional amounts of R$241,394, and expire on various dates through 2006. The fair values adjustments of the Company s foreign currency and interest rate swap contracts were estimated based on quoted market prices of comparable contracts, and at December 31, 2002 were approximately R$33,937, before tax. Amounts related to 2001 were not significant.

T. Comprehensive Income

Under US GAAP, the Company adopted SFAS No. 130, Reporting Comprehensive Income . Comprehensive income is not different from net income under US GAAP.

U. Lapsed Dividends

The Company recorded the amount of R$5,418 relating to lapsed dividends in the 2002 operating result for purposes of Brazilian GAAP.

Under US GAAP there is a basic accounting principle that non-reciprocal transfers from shareholders to their companies cannot be recorded as income. Such credit was recorded directly in shareholders equity for US GAAP purposes.

V. Acquisition of Minority Interest

In 2002, the Company acquired the minority interest in the subsidiary, Telebrasilia Celular S.A. (Telebrasilia). The acquisition increased the Company s interest in Telebrasilia from 88.25% to 100%. Under Brazilian GAAP, the transaction was recorded at book value. For US GAAP, the Company recorded the transaction at fair value as required by the purchase method under SFAS No. 141. As a result, for US GAAP purposes the shares issued to purchase the minority interest were recorded at the fair value of R$64,799 on the date of the transaction. Additionally, the Company recorded a step up in the fair value of assets of R$36,520 and deferred income tax liabilities of R$9,266. The step up in the fair value of assets, excluding the portion related to goodwill amounting to R$9,266, is being amortized over 19 years and 8 years for intangibles and fixed assets, respectively, and resulted in additional depreciation and amortization expense under US GAAP.

W. Advance to Affiliate

In January 2002, the Company made an advance payment, adjusted based on market rates, to BID S.A. corresponding to the present value of the tax benefit on the merged premium. With this transaction, the Company relieved itself of issuing the corresponding shares to BID S.A. in the future. Under Brazilian GAAP, the amount of R$40,226 was recorded as an advance to affiliate. For US GAAP purposes, such transaction would be recorded as a distribution to shareholder. Additionally, for US GAAP purposes, no interest income would be accrued related to this transaction.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of the Income Differences Between US and Brazilian GAAP

	2000	2001	2002
Net income as reported	103,644	178,587	305,094
Different criteria for determining:			
Capitalized interest	14,118	16,209	13,476
Amortization of capitalized interest	6,639	4,998	3,158
Amortization of the activation income deferral	1,024		
Costs of start-up activities and others	(3,116)	2,177	4,238
Pension benefits SFAS 87 adjustments	28,186	1,990	(1,457)
Amortization of Concession	(2,746)		
Hedging and derivative financial instruments			(33,937)
Lapsed dividends			(5,418)
Depreciation and amortization of step-up in fair value of assets			(1,532)
Adjustment of advance to affiliate			(5,967)
Items posted directly to equity			
Deferred tax on full indexation	(23,956)		
Effects of the above adjustments on deferred taxes	(14,926)	(8,627)	9,329
Effects of the above adjustments on minority interest	(4,096)	(840)	431
US GAAP net income	104,771	194,494	287,415
Earnings per thousand shares according to US GAAP			
Net income applicable to preferred shares	69,013	127,921	187,732
Net income applicable to common shares	35,758	66,573	99,683
Net income	104,771	194,494	287,415
Basic and fully diluted earnings per thousand common and preferred shares in R$	0.28	0.53	0.78
Weighted average number of shares outstanding (thousands)			
Preferred	240,029,997	239,964,678	240,279,068
Common	124,369,031	124,882,040	127,583,902

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reconciliation of the Shareholders Equity Differences Between US and Brazilian GAAP

	2001	2002
Shareholders equity as reported	1,126,432	1,310,691
Different criteria for:		
Capitalized interest	(32,148)	(18,672)
Amortization of capitalized interest	27,197	30,355
Activation income deferral	(32,655)	(32,655)
Amortization of the activation income deferral	32,655	32,655
Donations received	(130)	(130)
Costs of start-up activities and others	(32,981)	(28,743)
Pension benefits SFAS 87 adjustments	642	(815)
Amortization of concession	(2,746)	(2,746)
Hedging and derivative financial instruments		(33,937)
Acquisition of the minority interest of Telebrasilia Celular S.A.		36,520
Depreciation and amortization of step-up in fair value of assets		(1,532)
Adjustment of advance to affiliate		(40,226)
Effects of the above adjustments on deferred taxes	11,716	11,779
Minority interests	2,309	2,740
Shareholders equity according to US GAAP	1,100,291	1,265,284
Additional information:		
TOTAL ASSETS UNDER US GAAP	2,389,361	2,468,537
Property, plant and equipment	1,677,904	1,839,666
Accumulated depreciation	(606,718)	(793,493)
Net property, plant and equipment	1,071,186	1,046,173

B-111

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Statements of Changes in Shareholders Equity in Accordance with US GAAP

Balances at December 31, 2000	1,000,123
Payment to shareholders related to premium utilization	(5,485)
Treasury stock	(6,826)
Dividends to minority interest of subsidiaries	(1,516)
Net income	194,494
Interest on own capital/dividends	(80,500)
Balances at December 31, 2001	1,100,291
Acquisition of the minority interest of Telebrasilia Celular S.A.	64,799
Payment to shareholders related to premium utilization	(15,584)
Treasury stock	(49,297)
Adjustment of advance to affiliate	(34,259)
Net income	287,415
Interest on own capital	(93,499)
Lapsed dividends	5,418
Balances at December 31, 2002	1,265,284

30. Additional Disclosures Required by US GAAP

A. Pension Plan

The Company and its subsidiaries, except for Norte Brasil Telecom S.A., together with substantially all of the other companies in the former Telebras group, participate in a multi-employer defined benefit pension plan and other post-retirement benefit plans administered by the FUNDACAO SISTEL DE SEGURIDADE SOCIAL (Sistel), a minority shareholder.

Effective 2001, the plan was modified and changed into a multiple employer pension plan with respect to active employees. The plan assets and liabilities related to active employees were transferred into a new plan. The benefits remained unchanged. The post retirement benefit plans remained as unchanged multi-employer plans. Also during 2001, the active employees were able to elect between participation in this plan, or a defined contribution plan.

The Company contributed R$3,229 in 2002 (R$2,561 in 2001 and R$2,087 in 2000) with respect to post retirement plans.

In 1999, Sistel approved changes to the plan statutes resulting in the break up of plan assets and liabilities related to the active participants of each sponsor. Sistel did not break up plan assets and liabilities related to inactive participants and, thus, the Company will continue to sponsor the Sistel plan for such inactive participants.

The pension benefit is generally defined as the difference between (i) 90% of the retiree s average salary during the last 36 months indexed to the date of retirement and (ii) the value of the retirement pension paid by the Brazilian social security system. For retired employees the initial pension payment is subsequently adjusted upwards to recognize cost of living increases and productivity awards granted to active employees. In addition to the pension supplements, post-retirement health care and life insurance benefits are provided to eligible pensioners and their dependents.

Contributions to the plans are based on actuarial studies prepared by independent actuaries. The actuarial studies are revised periodically to identify whether adjustments to the contributions are necessary.

B-112

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The change in plans assets and benefit obligation plan and the related actuarial assumptions are as follows:

Change in Plan Assets

	Defined Benefit Pension	
	2001	2002
Fair value of plan assets at beginning of year	2,964	1,984
Actual return on plan assets	339	712
Sponsors contributions	164	20
Expenses and distributions	(122)	(56)
Effect of settlement	(39)	
Assets transferred to defined contribution plan	(1,322)	
Fair value of plan assets at end of year	1,984	2,660

Change in Benefit Obligations

	Defined Benefit Pension	
	2001	2002
Benefit obligation at beginning of year	2,333	823
Service cost	111	74
Interest cost	263	92
Actuarial gains	72	(108)
Benefits and expenses paid	(122)	(56)
Curtailment	(1,796)	
Settlement	(38)	
Benefit obligation at end of year	823	825

Components of Annual Pension Cost

	2000	2001	2002
Service cost	1,558	111	74
Interest cost	3,950	263	92
Expected return on assets	(2,645)	(435)	(287)
Amortization of unrecognized gain	(435)	(133)	(44)
Amortization of initial transition obligation	813	16	2
Net periodic pension cost	2,973	(178)	(163)

The weighted-average actuarial assumptions, as determined by actuaries, were as follows:

	2001	2002
Discount rate for determining projected benefit obligations	11.30%	11.30%
Rate of increase in compensation levels	8.15%	8.15%
Expected long-term rate of return on plan assets	14.45%	14.45%

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2002
Actuarial present value of benefit obligations:	
Vested benefit obligation	(543)
Accumulated benefit obligation	(749)
Projected benefit obligation	(825)
Plan assets at fair value	2,660
Funded status	1,835
Unrecognized net gain	(1,033)
Unrecognized transition obligation	13
Accrued pension cost recognized for US GAAP	(815)

In 2001, for employees who elected to participate in the defined contribution plan, pension plan assets of R$1,322 were transferred to the employee s account in the defined contribution plan. Under the provisions of Statement of Financial Accounting Standard No. 88, Employers Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits, the effects of employees electing to withdraw from the defined benefit plan in order to participate in the defined contribution plan constitutes a curtailment which resulted in the recognition of a gain of R$1,683 to the Company. Additionally, the transference of plan assets to the defined contribution plan constitutes a settlement, which also resulted in the recognition of a gain of R$25 to the Company.

	2001			
	Before Curtailment And Settlement	Effect of Curtailment	Effect of Settlement	After Curtailment and Settlement
Actuarial present value of benefit obligations:				
Vested benefit obligation	(524)			(524)
Accumulated benefit obligation	(723)			(723)
Projected benefit obligation	(2,657)	1,796	38	(823)
Plan assets at fair value	2,022		(38)	1,984
Funded status	(635)	1,796		1,161
Unrecognized net gain	(560)		25	(535)
Unrecognized transition obligation	129	(113)		16
Accrued pension cost recognized for US GAAP	(1,066)	1,683	25	642

B. Concentration of Risk

Credit risk with respect to trade accounts receivable from third parties is diversified. Although collateral is not required, the Companies continually monitor the level of trade accounts receivable and limit the exposure to bad debts by cutting access to the telephone network if any invoice is three telephone bills past-due. Exceptions include telephone services that must be maintained for reasons of safety or national security.

In conducting their businesses, the Companies are fully dependent upon the cellular telecommunications concession as granted by the Federal Government.

Approximately 25% of all full-time employees are members of state labor unions associated with either the Federacao NACIONAL DOS TRABALHADORES EM TELECOMUNICACOES (Fenattel), or

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

with the FEDERACAO INTERESTADUAL DOS TRABALHADORES EM TELECOMUNICACOES (Fittel). The Companies negotiate new collective labor agreements every year with the local unions. The collective agreements currently in force expire in November 2003.

There is no concentration of available sources of labor, services, concessions or rights, other than those mentioned above, that the Company believes could, if suddenly eliminated, severely impact the Companies operations.

C. Recent Accounting Pronouncements

In June of 2001, the FASB issued SFAS No. 143, Accounting for Asset Retirement Obligations, on the accounting for obligations associated with the retirement of long-lived assets. SFAS 143 requires a liability to be recognized in the financial statements for retirement obligations meeting specific criteria. SFAS 143 is effective for fiscal years beginning after June 15, 2002. The Company believes that adoption of this statement will not have a significant impact on its financial position or results of operations.

In August 2001, the FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. SFAS 144 amends existing accounting guidance on asset impairment and provides a single accounting model for long-lived assets to be disposed of. Among other provisions, the new rules change the criteria for classifying an asset as held-for-sale. The standard also broadens the scope of businesses to be disposed of that qualify for reporting as discontinued operations, and changes the timing of recognizing losses on such operations. The provisions of SFAS 144 will be effective for the Company s fiscal year 2002 and will be applied prospectively. The Company is currently in the process of evaluating the potential impact that the adoption of SFAS 144 will have on its consolidated financial position and results of operations, but believes that adoption of this statement will not have a significant impact on its consolidated financial position or results of operations.

In June 2002, the FASB issued SFAS No. 146, Accounting for Costs Associated with Exit or Disposal Activities. SFAS 146 provides guidance related to accounting for costs associated with disposal activities covered by SFAS 144 or with exit or restructuring activities previously covered by Emerging Issues Task Force (EITF) Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). SFAS 146 supersedes EITF 94-3 in its entirety. SFAS 146 requires that costs related to exiting an activity or to a restructuring not be recognized until the liability is incurred. SFAS 146 will be applied prospectively to exit or disposal activities that are initiated after December 31, 2002.

In November 2002, the FASB issued Interpretation No. 45, GUARANTOR S ACCOUNTING AND DISCLOSURE REQUIREMENTS FOR GUARANTEES, INCLUDING INDIRECT GUARANTEES OF INDEBTEDNESS TO OTHERS, AN INTERPRETATION OF FASB STATEMENTS NO. 5, 57 AND 107 AND A RESCISSION OF FASB INTERPRETATION NO. 34. This Interpretation elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees issued. The Interpretation also clarifies that a guarantor is required to recognize, at inception of a guarantee, a liability for the fair value of the obligation undertaken. The initial recognition and measurement provisions of the Interpretation are applicable to guarantees issued or modified after December 31, 2002 and are not expected to have a material effect on the Company s financial statements. The disclosure requirements are effective for financial statements of interim or annual periods ending after December 15, 2002.

In December 2002, the FASB issued SFAS No. 148, Accounting for Stock-Based Compensation, Transition and Disclosure. SFAS 148 provides alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. SFAS 148 also requires that disclosures of the pro forma effect of using the fair value method of accounting for stock-based employee compensation be displayed more prominently and in a tabular format. The transition and annual disclosure

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

requirements of SFAS 148 are effective for the Company s fiscal ending after December 15, 2002. The Company does not expect SFAS 148 to have a material effect on its results of operations or financial condition.

In January 2003, the FASB issued Interpretation No. 46, CONSOLIDATION OF VARIABLE ENTITIES, AN INTERPRETATION OF ACCOUNT RESEARCH BULLETIN ARB NO. 51. This Interpretation addresses consolidation by business enterprises of variable interests entities which have one of the following characteristics:

I) The investment at risk is not sufficient to permit the entity to finance its activities without additional subordinated financial support from other parties, which is provided through other interests that will absorb some or all the expected losses of the entity.

II) The equity investors lack on or more of the following essential characteristics of a controlling financial interest:

a) The direct or indirect ability to make decisions about the entity s activities through voting rights or similar rights.

b) the obligation to absorb the expected losses of the entity if they occur, which makes it possible for the entity to finance its activities

c) the right to receive the expected residual returns of the entity if they occur, which is the compensation for the risk of absorbing the expected losses.

The disclosure requirements is immediately effective for all variable interest entities created after January 31, 2003 and for the fiscal year or interim period beginning after June 15, 2003 for variable entities in which an enterprise holds a variable interest that is acquired before February 1, 2003. The initial recognition of the Interpretation is applicable after December 31, 2002 and is not expected to have an effect on the Company s financial statements.

D. Earnings Per Share

In these consolidated financial statements, information is disclosed per lot of thousand shares.

Since the preferred and common shareholders have different dividend, voting and liquidation rights, basic earnings per share has been calculated using the two-class method. The two-class method is an earnings allocation formula that determines earnings per share for preferred and common shares according to the dividends to be paid as required by the Company s by-laws and participation rights in undistributed earnings.

Basic earnings per common share is computed by reducing net income by distributable and undistributable net income available to preferred shareholders and dividing net income available to common shareholders by the weighted-average number of common shares outstanding during the period. Net income available to preferred shareholders is the sum of the preferred dividends distributable net income and the preferred shareholders portion of undistributed net income.

Undistributed net income is computed by deducting preferred dividends and common dividends from net income. Undistributed net income is shared equally on a per share basis by the preferred and common shareholders.

Under the Company s bylaws, if the Company is able to pay dividends in excess of the minimum requirement for preferred shareholders and the remainder of the net income is sufficient to provide equal dividends to both common and preferred shareholders, then the earnings per share will be the same for both

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

common and preferred shareholders. The following table sets forth the computation of basic and diluted earnings per thousand of common shares:

	Year Ended December 31,		
	2000	**2001**	**2002**
Numerator:			
Net income for the year under US GAAP	104,771	194,494	287,415
Net income available to preferred shareholders numerator for earnings per thousand share	69,013	127,921	187,732
Net income available to common shareholders numerator for earnings per thousand shares	35,758	66,573	99,683
Denominator:			
Weighted-average outstanding shares (in thousands)			
Common	124,369,031	124,882,040	127,583,902
Preferred	240,029,997	239,964,678	240,279,068
Earnings per thousand common and preferred shares in R$	0.28	0.53	0.78

31. Subsequent Events (Unaudited)

On April 10, 2003 the National Telecommunications Agency ANATEL approved the transfer of BID S.A. s ownership of Tele Centro Oeste Celular Participacoes S.A. to Telesp Celular Participacoes S.A..

On April 25, 2003, Tele Centro Oeste Celular Participacoes S.A. was notified by its controlling shareholder that the transfer of the Company s shareholding control to Telesp Celular Participacoes S.A. had occurred.

Table of Contents

ANNEX C

INFORMATION DERIVED FROM TCO S REPORT ON FORM 6-K FURNISHED

MAY 16, 2003

C-1

Table of Contents

FINANCIAL STATEMENTS

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

March 31, 2003 and December 31, 2002

C-2

Table of Contents

A free translation from Portuguese into English of quarterly financial information prepared in Brazilian currency in accordance with the accounting practices originating in Brazil s Corporation Law and specific norms issued by IBRACON, CFC and CVM

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

BALANCE SHEETS

March 31, 2003

	Company		Consolidated	
	03/31/2003	**12/31/2002**	**03/31/2003**	**12/31/2002**
	(In thousand of Reais-R$)			
ASSETS				
CURRENT ASSETS	446,581	454,877	1,334,089	1,313,436
Cash and cash equivalents	4,046	3,936	18,278	37,141
Short-term investments	235,517	224,254	747,947	712,135
Marketable securities	8,260	7,884	176,557	121,362
Accounts receivable from services	60,018	61,489	212,619	227,881
Inventories	6,368	11,318	28,690	48,369
Deferred and recoverable taxes	48,385	57,307	100,422	111,242
Interest on own shareholders equity	50,486	50,486		
Swap	21,761	34,057	24,689	38,441
Other assets	11,740	4,146	24,887	16,865
NONCURRENT ASSETS	76,686	81,687	111,420	119,942
Deferred and recoverable taxes	22,976	23,823	5,623	60,931
Loans to related parties				
Swap	3,653	5,709	10,177	174,863
Other assets	50,057	52,155	95,620	44,148
PERMANENT ASSETS	1,365,762	1,297,872	917,547	931,368
Investments	1,138,739	1,061,288	8,040	8,430
Property, plant and equipment	227,023	236,584	879,122	891,418
Deferred charges			30,385	31,520
TOTAL ASSETS	1,889,029	1,834,436	2,363,056	2,364,746
LIABILITIES AND SHAREHOLDERS EQUITY				
CURRENT LIABILITIES	396,433	410,204	625,228	715,302
Personnel, social charges and benefits payable	6,375	5,182	11,413	9,388
Trade accounts payable	28,716	30,391	102,069	154,390
Indirect taxes	18,750	26,961	64,221	104,295
Income taxes	369	171	8,559	3,535
Income participation	95,184	94,828	103,330	102,831
Loans and financing	239,566	246,555	317,808	324,980
Other accounts payable	7,473	6,116	17,828	15,883
NONCURRENT LIABILITIES	181,721	205,583	401,915	406,864
Provision for contingencies	100,730	94,639	105,079	99,104

Income taxes				0
Loans from related parties		31,410		0
Loans and financing	79,637	78,715	290,201	302,800
Others obligations	1,354	819	6,635	4,960
PARTICIPATION OF MINORITY SHAREHOLDERS			25,038	23,931
SHAREHOLDERS EQUITY	1,310,749	1,218,523	1,310,749	1,218,523
Capital	534,046	534,046	534,046	534,046
Capital reserve	114,381	114,381	114,381	114,381
Revenue reserve	322,165	322,165	322,165	322,165
Treasury stock	(49,162)	(49,162)	(49,162)	(49,162)
Retained earnings	389,319	297,093	389,319	297,093
CAPITALIZABLE FUNDS	126	126	126	126
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,889,029	1,834,436	2,363,056	2,364,746

See accompanying notes.

C-3

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

STATEMENTS OF INCOME

Three Months Ended March 31, 2003 and 2002

	Company		Consolidated	
	03/31/2003	**03/31/2002**	**03/31/2003**	**03/31/2002**
	(In thousand of reais)			
GROSS OPERATING REVENUE	135,200		524,884	441,676
Gross revenue deductions	(27,879)		(114,866)	(86,714)
NET OPERATING REVENUE	107,321		410,018	354,962
Cost of services rendered	(51,449)		(191,095)	(162,497)
GROSS INCOME	55,872		218,923	192,465
OPERATING INCOME (EXPENSES)	48,155	78,095	(103,665)	(81,538)
Commercialization of services	(12,948)		(60,454)	(49,282)
General and administrative expenses	(26,313)	(9,002)	(45,125)	(32,116)
Equity pickup	77,126	78,343		
Other operating income (expenses) net	10,290	8,754	1,914	(140)
OPERATING INCOME BEFORE FINANCIAL RESULT	104,027	78,095	115,258	110,927
Financial result, net	(4,033)	(5,664)	27,295	7,209
OPERATING INCOME	99,994	72,431	142,553	118,136
Nonoperating income (expenses), net	(1,268)	(478)	(5,018)	(5,871)
INCOME BEFORE TAXATION AND PARTICIPATION	98,726	71,953	137,535	112,265
Income and social contribution taxes	(6,500)	184	(43,485)	(34,902)
Employees profit participation		(248)		(813)
Participation of minority shareholders			(1,824)	(4,799)
NET INCOME BEFORE REVERSAL OF INTEREST ON OWN SHAREHOLDERS EQUITY	92,226	71,889	92,226	71,751
Reversal of interest on own shareholders equity				138
NET INCOME	92,226	71,889	92,226	71,889
Shares in circulation on the balance sheet date (thousands)			373,408,642	373,408,642
Net income per lot of thousand shares (R$)			0.24700	0.19250

See accompany notes.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION

For the Three Months Ended
March 31, 2003
(Expressed in thousand of reais R$)

1. Operations

Tele Centro Oeste Celular Participações S.A. is a publicly traded company directly controlled by BID S.A. (company controlled by Splice Group), which acquired 53.23% of voting capital and 17.75% of total capital.

The Company controls the following companies: Telegoiás Celular S.A., Telemat Celular S.A., Telems Celular S.A., Teleron Celular S.A. and Teleacre Celular S.A. The subsidiaries are responsible for providing cellular telephone services Band A throughout Midwestern Brazil, including the States of Rondônia and Acre, according to the concession terms signed by the Federal Government, which expire on August 5, 2008 but can be extended for another 15 years.

On May 24, 1999 Norte Brasil Telecom S.A. NBT was formed as a private company, with the objective of exploring cellular telephone services, as well as all necessary and useful activities for delivering these services within area 8 Band B comprising the States of Amazonas, Roraima, Amapá, Pará and Maranhão. Norte Brasil Telecom S.A. started up its activities in 1999, serving 11 of the 97 cities comprising the respective operating area. The expenses incurred to December 31, 1999 were considered as pre-operating expenses and amortized as from January 2000 when the company became operational and the respective expenses started being amortized.

The business of Tele Centro Oeste Celular Participações S.A., including the services provided by its subsidiaries and respective charges are controlled by ANATEL (National Telecommunications Agency), the entity responsible for regulating telecommunications in Brazil in accordance with Law No. 9472 of July 16, 1997 and respective regulations.

On November 21, 2000 TCO IP S.A. was formed as a private company, with the objective of rendering telecommunications and internet access services, developing solutions and others.

On April 26, 2002, Tele Centro Oeste Celular Participações S.A. merged the subsidiary Telebrasília Celular S.A., based on the evaluation of the latter s shareholders equity at December 31, 2001, with the aim of rationalizing the corporate structure of the Company and subsidiaries so that the existing administrative and commercial synergies are used, as well as concentrating the liquidity of the private companies shares in one company only, thus reducing the capital cost. Please note that this merger operation was authorized by the National Agency of Telecommunications ANATEL.

On January 16, 2003, Tele Centro Oeste Celular Participações S.A. published a Relevant Fact communicating its shareholders and the public in general, under the terms of CVM Instruction No. 358/02 and according to information provided by the controlling shareholder, that a Preliminary Shares Purchase/Sale Contract was entered into between the controlling shareholder and Brasilcel N.V for transferring the Company s shareholding control to Telesp Celular Participações S.A. or other company belonging to the economic group of Brasilcel N.V. However, the effective transfer of the Company s shareholding control is subject to the implementation of certain preceding conditions.

2. Presentation of the financial statements

The Company s financial statements and the consolidated financial statements were prepared in conformity with accounting practices adopted in Brazil and accounting norms and procedures established by the CVM (Brazilian Securities Commission).

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

The balances recorded in the statement of income as of March 31, 2002 do not include the operations of the merged company Telebrasília Celular S.A.

3. Summary of the principal accounting practices (company and consolidated)

a. Short-term Investments

Refers to temporary investments of high liquidity falling due within less than three months, stated at cost plus income earned to the balance sheet date.

b. Marketable Securities

Refers to investments to be maintained up to the respective maturity, which should not exceed 12 months, and are recorded at cost plus interest earned to the balance sheet date.

c. Credits and Obligations

Credits and obligations are stated at their historical value. The amounts subject to monetary correction, foreign exchange variation and interest are adjusted to the balance sheet date

d. Allowance for Doubtful Accounts

This provision was constituted to cover accounts receivable unlikely to be collected. The methodology comprises the recording of a provision to cover 100% of accounts overdue more than 90 days. Additionally, for the accounts not yet billed, not yet due and overdue more than 90 days, the percentages historically obtained from write-offs are applied on the respective gross revenues computed within the last 12 months.

e. Inventories

The inventories classified in current assets comprise cellular telephones stated at the average acquisition cost, to be sold to own shops and authorized, as well as materials applied to the plant maintenance. The inventories to be applied in expansion activities are classified in construction and installations in progress under property, plant and equipment.

f. Investments

Refers to permanent participation in the capital of subsidiaries which are recorded according to the equity pickup method. The accounting practices adopted by subsidiaries are consistent to those adopted by the Company. Other investments are stated at cost not exceeding market value.

g. Property, Plant and Equipment

Property, plant and equipment is stated at acquisition and/or construction cost, monetarily corrected to December 31, 1995 less accumulated depreciation.

The operation right (concession area 8) of cellular services Band B relating to the subsidiary Norte Brasil Telecom S.A. was stated at the respective acquisition cost and is being amortized in accordance to concession terms.

Materials related to the plant expansion are stated at average acquisition cost.

The maintenance and repair expenses representing improvements (increase of installed capacity or useful life) are capitalized while the remaining expenses are charged to operating results following the accrual method.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

Depreciation is calculated by the straight-line method considering the useful life of the assets at rates shown in Note 8.

h. Deferred Charges

The income and expenses computed during the pre-operating phase of subsidiaries Norte Brasil Telecom S.A. and TCO IP S.A. are charged to deferred charges and amortized by the straight-line method over a period of 10 years.

i. Income and Social Contribution Taxes

Income and social contribution taxes are recorded on the accrual basis, calculated in accordance with the current tax legislation. Deferred taxes are recorded over temporary differences, calculated based on the rates applicable at the respective realization or liquidation.

j. Provision for Contingencies

The provision for contingencies was recorded based on an analysis of the Company s lawyers regarding all existing legal actions.

k. Income and Expenses

Income and expenses are charged to the year s operating result on the accrual basis. The revenues derived from sales of prepaid recharging cellular telephone cards are deferred and charged to the operating result as the cards are used.

Billings are computed monthly and the revenues not billed between the billings date and the end of the respective period are estimated and recognized as revenue in the month that the service was rendered.

l. Financial Result Net

The financial result net is represented by interest and monetary correction on short-term investments and loans obtained and granted. In compliance with the current tax legislation, the interest on shareholders# equity was recorded as financial expenses and considered as destination of result for financial statement purposes, according to Deliberation No. 207 of December 12, 1996 of the CVM.

m. Pension Plan

Tele Centro Oeste Celular Participações S.A. and subsidiaries sponsor a private social security plan, which is managed by SISTEL. According to the CVM Resolution No. 371 of December 13, 2000, the Company conducted studies on future benefits to employees. However, the Company opted to record the adjustment to actuarial liabilities directly in the year s operating result as of 2002 for a period of five years, or if lower, for the period of the service or remaining life of the employees.

n. Employees Income Participation

Tele Centro Oeste Celular Participações S.A. and subsidiaries provide for employees income participation based on Article 5 of Provisional Measure No. 980 of April 25, 1995 and subsequent publications.

The amount provided for is equivalent to a monthly salary subject to approval of the Shareholders Meeting. In 2002 these expenses were classified as operating expenses.

C-7

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

o. Profit Per Share

Profit per share was calculated based on the number of outstanding shares at the balance sheet date.

4. Consolidation of the Financial Statements

The consolidated financial statements were prepared in accordance with consolidation basic principles established by Brazil s Corporation Law and norms of the CVM.

We present below the main consolidation procedures:

a) Elimination of assets and liability account balances between the consolidated companies;

b) Elimination of shareholding, reserves and retained earnings of the consolidated companies;

c) Elimination of revenues and expenses derived from business between the consolidated companies;

d) Highlighting the minority interest amounts on the financial statements.

The consolidated companies comprise the following:

	Total Shareholding(%)	
	3/31/2003	12/31/2002
Telegoiás Celular S.A.	97.07	97.07
Telemat Celular S.A.	97.57	97.57
Telems Celular S.A.	98.45	98.45
Teleron Celular S.A.	97.21	97.21
Teleacre Celular S.A.	98.35	98.35
Norte Brasil Telecom S.A. NBT	98.33	98.33
TCO IP S.A.	99.99	99.99

5. Marketable securities

			Company		Consolidated	
	Interest	Maturity date	3/31/2003	12/31/2002	3/31/2003	12/31/2002
Debentures Fixcel S.A.	-CDI plus 2.0% per year	06/27/2002 and 08/08/2003	235,517	224,254	747,947	712,135
			235,517	224,254	747,947	712,135

Tele Centro Oeste Celular Participações S.A., directly and through its subsidiaries, acquired a total of R$ 660 million in debentures issued by Fixcel S.A., from which R$ 470 million was due on July 2, 2002 and R$ 190 million on August 13, 2002. The debentures have variable guarantee on the assets of Fixcel S.A. and are secured by Splice do Brasil Telecomunicações e Eletrônica S.A.

As informed by the controlling shareholder, as from the effective transfer of the Company s shareholding control, Telesp Celular Participações S.A. will ensure the liquidation of the debentures issued by the parent company Fixcel S.A. which are held by the Company.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

6. Accounts Receivable

	Company		Consolidated	
	3/31/2003	12/31/2002	3/31/2003	12/31/2002
Amounts invoiced	21,836	19,711	84,132	76,156
Amounts to be invoiced	16,769	15,758	51,397	47,390
Network use rate	12,082	13,396	48,095	53,678
Sales of cellular telephone and cards	4,201	8,974	28,670	46,202
Credit cards	2,602	4,171	9,855	14,069
Allowance for doubtful accounts	(5,172)	(4,734)	(28,342)	(26,595)
Others	7,700	4,211	18,812	16,981
	60,018	61,489	212,619	227,881

7. Investments

	Company		Consolidated	
	3/31/2003	12/31/2002	3/31/2003	12/31/2002
Participation stated by the equity pickup method	1,130,868	1,053,027		
Premium Norte Brasil Telecom S.A.	4,427	4,579	4,427	4,579
Premium Telegoiás Celular S.A.	3,422	3,660	3,422	3,660
Other investments	22	22	191	191
	1,138,739	1,061,288	8,040	8,430

The premiums of R$4,427 and R$3,422 at March 31, 2003 refer, respectively, to the acquisition of 45% of shares of Norte Brasil Telecom S.A. from Inepar S.A. in May 1999 and the acquisition of the shares of Telegoiás Celular S.A. from the market in 2001. These premiums are being amortized over 5 and 10 years, respectively.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

The significant information on subsidiaries is as follows:

	Telegoiás	Telemat	Telems	Teleron	Teleacre	NBT	TCO IP	Company
Investments at December 31, 2002	372,906	229,220	189,736	55,389	30,469	174,987	320	1,053,027
Equity pick-up 1st quarter	29,374	16,211	13,686	4,537	2,408	11,882	(972)	77,126
Purchase of shares in the 1st quarter	30	370	83	1				484
Gain (loss) from the purchase of shares	(4)	188	47					231
Investments at March 31, 2003	402,306	245,989	203,552	59,927	32,877	186,869	(652)	1,130,868
Balance for shareholders equity at December 31, 2002, with no premium reserve								
Percentage of participation of the parent company(%)	97.07%	97.57%	98.45%	97.21%	98.35%	98.33%	99.99%	
Investment in subsidiaries	389,048	232,738	188,359	56,747	31,007	186,869	(1,162)	1,083,606
Merged premium/ advance for future capital increase (TCO-IP)	13,258	13,251	15,193	3,180	1,870			46,752
Advance for future capital increase							510	510
Investments at March 31, 2003	402,306	245,989	203,552	59,927	32,877	186,869	(652)	1,130,868

8. Property, plant and equipment

	Company				
	31/03/2003				31/12/2002
	Annual depreciation rate(%)	Cost monetarily updated	Accumulated depreciation	Net book value	Net book value
Assets and service installations					

Switching equipment	10	85,743	(27,820)	57,923	60,066
Transmission equipment	14.29	284,365	(199,616)	84,749	91,800
Infrastructure					
Land		2,185		2,185	2,962
Buildings	4	18,227	(8,705)	9,522	9,007
Supporters and protectors	5	23,450	(6,749)	16,701	14,464
Energy equipment	10	35,494	(26,532)	8,962	9,096
Others	10	3,651	(1,616)	2,035	2,125
Computer equipment	20	20,239	(8,534)	11,705	11,695
Vehicles	20	784	(632)	152	166
Other assets	5 to 20	41,307	(16,251)	25,056	26,207
Assets for future use					
Assets and construction in progress		6,297		6,297	7,207
Construction material		1,736		1,736	1,789
		523,478	(296,455)	227,023	236,584

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

	Consolidated				
	31/03/2003				31/12/2002
	Annual depreciation rate(%)	Cost monetarily updated	Accumulated depreciation	Net book value	Net book value
Assets and service installations					
Switching equipment	10	268,457	(80,196)	188,261	194,560
Transmission equipment	14.29	781,364	(439,717)	341,647	331,111
Infrastructure					
Land		7,811		7,811	5,830
Buildings	4	41,074	(13,621)	27,453	25,530
Supporters and protectors	5	76,445	(11,712)	64,733	56,610
Energy equipment	10	76,314	(42,175)	34,139	29,137
Others	10	4,616	(1,936)	2,680	2,768
Computer equipment	20	38,414	(16,235)	22,179	22,352
Vehicles	20	1,803	(1,409)	394	447
Other assets	5 to 20	121,768	(37,870)	83,898	76,940
Assets for future use					
Assets and construction in progress		39,057		39,057	79,910
Construction material		17,780		17,780	16,051
Exploration right (concession)	6.90	60,550	(11,460)	49,090	50,172
		1,535,453	(656,331)	879,122	891,418

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

9. Loans and financing

	Interest and monetary updating	Due Date	Company 3/31/2003	Company 12/31/2002	Consolidated 3/31/2003	Consolidated 12/31/2002
Local Currency						
BNDES	T.J.L.P. plus annual interest from 3.5% to 4%	1/15/2008	15,264	16,356	195,208	204,479
Other Loans	Industrial Products Column 20 FGV	2003 to 2008			1,519	1,587
Foreign Currency						
Finimp	Exchange variation based on the U.S. dollar, plus Libor and 2% p.a. over Libor and 7% per year	5/19/2003 to 12/12/2003	163,801	170,054	163,314	174,752
Resolution No. 2770	Exchange variation based on the U.S. dollar plus annual interest ranging from 7.41%	12/05/2003 to 11/29/2004	47,159	48,842	58,617	60,707
Export Development Corporation	Exchange variation based on the U.S. dollar plus semiannual Libor and annual interest of 3.90% p.a. to 5% per year	12/14/2006	92,979	90,018	163,634	163,358
EDC BNDES Currency basket	UMBNDES variation plus the loan rate from BNDES plus annual interest of 3.5%	01/15/2008			20,717	22,897
			319,203	325,270	608,009	627,780
Current			(239,566)	(246,555)	(317,808)	(324,980)
Noncurrent			79,637	78,715	290,201	302,800

Banks	Guarantees
BNDES TCO Operators	15% of receivables and CDB pledged in the amount of the next installment due
BNDES NBT	100% of receivables and CDB pledged in the amount of the next installment due during the first year and CDB pledged in the amount equivalent to two installments due in the remaining period
EDC	Guarantee from TCO and other subsidiaries
Other loans and financing	Guarantee from TCO

The contracts with BNDES and EDC include several restrictive clauses denominated covenants. At March 31, 2003, the Company does not have problems relating to the compliance with contractual conditions.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

At March 31, 2003 the total debt amounted to R$608,009 (R$627,780 at December 31, 2002) from which 67.64% is expressed in foreign currency (64.24% in U.S. dollars) and 3.4% relates to the currency basket BNDES index). From the portion expressed in U.S. dollars and Japanese Yen, 86.10% was protected by hedge operations at the end of the quarter. From the total denominated currency basket, 81.76% was protected by hedge operations.

10. Provision for contingencies

Based on the lawyers opinion, the Company recorded a provision for contingencies in amounts considered necessary to cover possible losses derived from the outcome of ongoing processes, as follows:

	3/31/2003	12/31/2002	3/31/2003	12/31/2002
Tax	11,868	12,199	16,041	16,404
Labor	9		185	269
Others(a)	88,853	82,431	88,853	82,431
	100,730	94,639	105,079	99,104

(a) Corresponding to the original loans from Telecomunicações Brasileiras S.A. TELEBRÁS, which according to Attachment II of the Spin-Off Report of February 28, 1998, approved by the General Shareholders Meeting of May 1998, and according to Company management, should be charged to the respective holding controlled by Telegoiás Celular S.A. and Telebrasília Celular S.A.

Local management, based on the understanding that the respective loans were wrongly allocated at the time of the spin-off, suspended the payments flow subsequent to the changes in Company s controls. These loans are being indexed by the IGP-M (Market General Price Index) plus 6% annual interest.

In June 1999, Tele Centro Oeste Celular Participações S.A. (parent company) filed a legal action claiming that the assets related to these obligations-loans and financing belong to the Company as well as the respective accessories, plus compensations for the installments paid.

In November 1999, Company management decided to transfer to the actual holding Tele Centro Oeste Celular Participações S.A., the liability derived from the loan originally due to Telecomunicações Brasileiras S/A TELEBRÁS and absorbed during the spin-off process.

On August 1, 2001, a sentence was handed down denying the action filed by Tele Centro Oeste Celular Participações S.A., however, on October 8, 2001 Tele Centro Oeste Celular Participações S.A. filed an appeal awaiting decision to date.

According to the opinion of the Company s lawyers, they consider the chances of unfavorable outcome for these contingencies as probable with regard to merit, and possible with regard to the adjustment factor. The difference between the original contract charges and the above mentioned monetary correction at March 31, 2003, which has not been recorded, is estimated to be R$55,660 (R$68,780 at December 31, 2002).

11. Related party transactions

Company

The amounts receivable from related parties refer to the transfer of administrative expenses from the Company to its subsidiaries.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

The amounts payable by related parties refer to the loan operations carried out between the Company and its subsidiaries.

Consolidated

	Company		Consolidated	
	31/03/2003	**31/12/2002**	**31/03/2003**	**31/12/2002**
ASSETS				
Cash and cash equivalents				
Short-term investments	235,517	224,254	747,947	712,135
Marketable securities	1,034	987	6,693	6,463
Accounts receivable	3,659	238		
Loans to related parties	7,546	10,618		
Interest on shareholders equity	31,687	31,687		
Dividends	18,799	18,779		
Other assets	41,198	40,226	41,198	40,226
LIABILITIES				
Suppliers	986	1,698	3,518	4,083
Interest on shareholders equity	14,104	14,104	14,104	14,104
TRANSACTIONS				
Cost of telecom services mobile network use tariff (TUM)	55			
Financial expenses	654	206		3,076
Financial income	15,483	6,729	46,093	22,372
Call Center Telegoiás	932			
General and administrative expenses	1,176		3,644	1,887
Acquisition of telephone cards	236		1,586	1,049
Acquisition of property, plant and equipment	666		951	2,164
Telecom services TUM	48			
Sale of merchandise and cards	452			
Cost of goods/cards	377			
Other income	11,311	9,685		

According to the contract entered into by and among Splice do Brasil S.A. and the subsidiaries of Tele Centro Oeste Celular Participações S.A., Telems Celular S.A., Telemat Celular S.A., Teleron Celular S.A., Telegoiás Celular S.A and Teleacre Celular S.A., a technical assistance shall be provided to Splice do Brasil S.A., corresponding to 1% of net operating revenues. For the period ended March 31, 2003, R$3,644 (R$1,887 at December 31, 2002) was appropriated to general and administrative expenses.

In January 2002 the Company, through a contract with BID S.A., made an advance payment for the acquisition of shares corresponding to the present value of the tax benefit on the merged premium in the amount of R$34,259 which was increased by R$6,939 due to the financial pro-rata discount at March 31, 2003 (R$5,967 at December 31, 2002), according to the discount rate practiced in the financial market.

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

All the related party transactions were carried out in accordance with the Company s articles of incorporation and at normal market conditions.

12. Shareholder Equity

a) Capital

The authorized capital at March 31, 2003 and December 31, 2002 correspond to 700,000,000,000 shares. The subscribed and paid-in capital at March 31, 2002 and December 31, 2002 corresponds to R$534,046, represented by 379,200,036,000 shares with no par value, held as follows (in thousands of shares):

	3/31/2003	12/31/2002
Common shares	126,433,338	126,433,338
Preferred shares	252,766,698	252,766,698
	379,200,036	379,200,036
Book value per lot of thousand share (in R$)	3.456616	3.213404

The preferred shares of Tele Centro Oeste Celular Participações S. are nonvoting and have priority of reimbursement and payment of noncumulative minimum dividends. These shares will become voting if the Company, for a period of three consecutive years, stops paying the minimum dividends established on the Articles of Incorporation.

On April 26, 2002, the minority shareholders of Telebrasília Celular S.A transferred their shares according to the merger agreement to Tele Centro Oeste Celular Participações S.A., thus increasing the latter s capital.

b) Special premium reserve

This reserve was constituted as a result of the Company s partial spin-off and refers to the premium paid for the acquisition of BID S.A. (subsequently recorded at Coverage Participações S.A., a company merged by Tele Centro Oeste Celular Participações S.A.). This operation was recorded in a specific permanent assets account against the capital reserve account recorded in shareholders equity. This reserve is reduced by the provision for maintaining shareholders equity completeness.

c) Retained income reserve for expansion Article 196 of Law No. 6,404/76

On April 29, 2003, the General Shareholders Meeting approved the constitution of a reserve for retained earnings in the amount of R$219,225 in connection with the remaining balance of the net income for the year, after allocating the legal reserve and dividends. The amount in question will be used for future investment purposes and according to the capital budget.

The General Shareholders Meeting also approved the transfer of the 2001 retained earnings remaining balance of R$44,252, which was not used in investment activities mainly due to the Overlay implantation as included in the 2002 capital budget, for expansion purposes. The referred amount will be invested according to the 2003 capital budget under the terms of the Company s bylaws. The decision of postponing the Overlay was based on market regulatory conditions and on the perspective of consolidating the cellular telephone companies who appeared to ready to make such a significant decision only at the beginning of 2003.

d) Treasury stock

At a meeting held on November 8, 2002, the Board of Directors of Tele Centro Oeste Celular Participações S.A., in continuation of the decisions made on June 22, 2001, September 25, 2001 and

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

December 26, 2001, respectively, approved the acquisition at market value of up to 23,334,500.000 shares of the Company issuance, from which 1,670,000.000 are common shares and 21,664.500.000 are preferred shares, representing up to 10% of the outstanding preferred shares, to be cancelled or kept in treasury for subsequent disposal, without capital reduction.

The shares in treasury at March 31, 2003 and December 31, 2002 amounted to 5,791,394,000 common shares. The market value of common shares at March 31, 2003 corresponded to R$13.10 per thousand-share lot. The market value of preferred shares at March 31, 2003 corresponded to R$5.00 per thousand-share lot. In 2003 no common nor preferred shares were purchased to be held in treasury.

13. Net Operating Result

	Company		Consolidated	
	3/31/2003	12/31/2002	3/31/2003	12/31/2002
Subscription	11,607		33,674	25,776
Use				
National	49,422		172,059	134,976
Displacement/additional per calls and others	4,759		12,966	11,079
Use of network	44,255		174,062	146,487
Additional services	1,768		5,046	2,967
Resale of cellular equipment	10,208		48,354	42,740
Resale of cards	13,181		78,474	49,946
Internet services			248	403
Others				27,302
Gross operating income	135,200		524,884	441,676
Taxes on gross income	(27,879)		(114,866)	(86,714)
Net operating income	107,321		410,018	354,962

14. Financial Instruments

Pursuant to Normative Instruction of CVM No. 235/95, Tele Centro Oeste Celular Participações S.A. and subsidiaries performed an evaluation of book value of their assets and liabilities in relation to market value based on available information and appropriate evaluation methodologies. However, the interpretation of market information, as well as of the selection of evaluation methods, require considerable judgment and reasonable estimates in order to conclude on the most adequate realization value. Consequently, the estimates presented do not necessarily indicate the amounts that could be realized in the current market. The application of different market hypothesis and/or estimate could have a material effect on the estimated realization values.

The Company s investments are recorded by the equity pickup method. These investments comprise subsidiaries of strategic interest to the Company. Therefore, market value considerations are not applicable. The accounts receivable and accounts payable recorded in current assets and liabilities approximate market value due to their short-term maturity.

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

The main market risk factors affecting the Company s business comprise the following:

a) Exchange rate risk

This risk relates to the possibility of the Company computing losses derived from foreign exchange rate fluctuations, increasing the debt balance of foreign currency loans obtained in the market and the financial expenses balance. In order to reduce this type of risk, the Company enters into hedge contracts (swaps of CDI) with financial institutions.

In March 2003, the total debt amounted to R$608,009 from which 67.64% is expressed in foreign currency (64.24% updated by the U.S. dollar and Yen and 3.40% denominated currency basket BNDES index). The portion expressed in U.S. dollars and Yen, 86.10% was protected by hedge operations at the end of the quarter. From the total denominated in foreign currency 81.76% was protected by hedge operations. The hedge operations were carried out for purposes of partially covering future maturity of debts in U.S. dollar and Yen, indexed at fixed or variable interest rates. The gains or losses derived from these operations have been recorded in the statement of operations.

The Company s net exposure to the foreign exchange rate risk, at book and market value, at March 31, 2003 corresponds to the following:

	Book Value	**Fair Value**
Loans in U.S. dollars	390,565	390,565
Hedge	336,280	333,262
Net exposure	54,285	57,303

The valuation method used for calculating the market value of loans, financing and swap contracts was based on discounted cash flow, considering the expectations of liquidation or realization of liabilities and assets at market rates in effect at the balance sheet date. The Company intends to maintain the existing hedge operations up to their maturity.

b) Interest rates risk

The risk relates to the possibility of the Company computing losses resulting from interest rate fluctuations, increasing the debt balances of loans obtained in the market and the financial expenses. The Company has not entered into hedge contracts against this risk. However, the Company constantly monitors the market interest rates in order to assess the need for contracting derivatives and to hedge against the risk of interest rates volatility.

At March 31, 2003, the Company presents the amount of R$196,727 (R$206,066 at December 31, 2002) in loans and financing in local currency obtained at various fluctuating rates (as explained in Note 9), as well as short-term investments in the amount of R$176,557 (R$121,362 at December 31, 2002) and investments in marketable securities of R$747,947 (R$712,135 at December 31, 2002) based on the CDI variation.

At March 31, 2003, the Company presents R$163,634 (R$163,358 at December 31, 2002) in loans and financing in foreign currency at variable interest rates (Libor renegotiated on a semiannual basis) and hedge contracts for these operations amounting to R$109,348 (R$106,930 at December 31, 2002) at fixed interest rates plus the exchange variation.

Another risk to which Tele Centro Oeste Celular Participações S.A. and subsidiaries are exposed is the non-connection between the monetary updating indexes on their debts and those on accounts receivable. The

C-17

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(A free translation from the original in Portuguese)

NOTES TO THE QUARTERLY INFORMATION (Continued)

telephone charge readjustments do not necessarily correspond to the local interest rates rise affecting the Company s debts.

c) Operating credit risk

The risk relates to the possibility of the Company computing losses derived from difficulties in collecting the amounts billed to customers, represented by cellular equipment dealers and distributors of prepaid telephone cards. In order to reduce this type of risk, the Company performs credit analyses supporting the risk management over collection problems and monitors the accounts receivable from subscribers, locking the calling capacity in case customers fail to pay their debts. With respect to shops and distributors, the Company maintains individual credit limits based on the analysis of sales potential, risk history and collection problem risks.

Credit risk linked to rendering of services

The credit risk in relation to accounts receivable from cellular telephone services is diversified.

Credit risk linked to the sale of equipment

The Company s policy for selling equipment and distributing prepaid telephone cards is closely related to the credit risk levels accepted during the normal course of business. The selection of partners, the diversification of receivables portfolio, the monitoring of loan terms, position and request limits established for dealers, obtaining guarantees are procedures adopted by the Company in order to minimize possible collection problems with its trading partners.

d) Financial credit risk

The risk relates to the possibility of the Company computing losses derived from difficulties in the realization of short-term investments and hedge contracts. The Company and subsidiaries minimize the risks associated with these financial instruments by investing with good rating financial institutions.

15. Subsequent Events

On April 10, 2003 the National Telecommunications Agency ANATEL approved the transfer of the participation of Bid S.A. in the capital of Tele Centro Oeste Celular Participações S.A. to Telesp Celular Participações S.A.

On April 25, 2003, Tele Centro Oeste Celular Participações S.A. was notified by its controlling shareholder of the conclusion of the operation involving the transfer of the Company s shareholding control to Telesp Celular Participações S.A., under the terms of the Preliminary Contract for the Purchase and Sale of Shares and the Contract for Purchase and Sale of Shares, and on the referred date the financial liquidation of the operation occurred as well as the transfer of the Company s shares, representing its shareholding control, to Telesp Celular Participações S.A.

Table of Contents

ANNEX D

INFORMATION DERIVED FROM TCO S REPORT ON FORM 6-K FURNISHED

NOVEMBER 19, 2003

D-1

Table of Contents

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

Tele Centro Oeste Celular

Participações S.A. and Subsidiaries

Interim Financial Statements

*for the Quarter and Nine-month Period
Ended September 30, 2003
and Independent Accountants   Review Report*

Deloitte Touche Tohmatsu Auditores Independentes

D-2

Table of Contents

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT ACCOUNTANTS REVIEW REPORT

To the Shareholders and Management of

Tele Centro Oeste Celular Participações S.A.
Brasília DF

1. We have made a special review of the accompanying interim financial statements of Tele Centro Oeste Celular Participações S.A. (the Company) and subsidiaries, consisting of the individual and consolidated balance sheets as of September 30, 2003, and the related statements of operations for the quarter and nine-month period then ended, the performance report and relevant information, all expressed in Brazilian reais and prepared in accordance with Brazilian accounting practices under the responsibility of the Company s management.

2. We conducted our review in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Federal Accounting Council, which consisted principally of: (a) inquiries of and discussions with persons responsible for the accounting, financial and operating areas as to the criteria adopted in preparing the interim financial statements, and (b) review of the information and subsequent events that had or might have had material effects on the financial position and operations of the Company and its subsidiaries.

3. Based on our special review, we are not aware of any material modification that should be made to the interim financial statements referred to in paragraph 1 for them to be in conformity with Brazilian accounting practices and standards issued by the Brazilian Securities Commission (CVM), specifically applicable to the preparation of mandatory quarterly information.

4. The individual and consolidated balance sheets as of June 30, 2003, presented for comparative purposes, were reviewed by us, and our report thereon, dated July 18, 2003, was unqualified. The individual and consolidated statements of operations for the quarter and nine-month period ended September 30, 2002, presented for comparative purposes, were reviewed by other independent auditors whose report thereon, dated November 6, 2002, was unqualified.

5. The accompanying interim financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, October 21, 2003

DELOITTE TOUCHE TOHMATSU

Auditores Independentes

José Domingos do Prado
Engagement Partner

D-3

Table of Contents

(Convenience Translation into English from the Original Previously Issued in Portuguese)

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS

For the Periods Ended September 30, 2003
(Amounts in thousands of Brazilian reais R$, unless otherwise indicated)

1. Operations

Tele Centro Oeste Celular Participações S.A. (Company or TCO) is a publicly-traded company, which as of September 30, 2003 is owned by Telesp Celular Participações S.A. (TCP) (61.10% of voting capital and 20.37% of total capital), which in turn is controlled by Brasilcel N.V. (Brasilcel). Brasilcel is controlled by Telefónica Móviles, S.A. (50.000% of total capital), PT Móveis Serviços de Telecomunicações, SGPS, S.A. (49.999% of total capital), and Portugal Telecom, SGPS, S.A. (0.001% of total capital).

On April 10, 2003, the National Telecommunications Agency (ANATEL) approved the transfer of the equity interest held by BID S.A. in TCO.

On April 25, 2003, TCO was informed by its controlling shareholder of the conclusion of the transfer of the Company s equity interest to TCP, under the Preliminary Contract for Purchase and Sale of Shares and the Contract for Purchase and Sale of Shares. As of that date, the operation was settled and the aforementioned shares representing TCO s controlling interest were transferred to TCP.

The Company is the controlling company of Telegoiás Celular S.A. (Telegoiás), Telemat Celular S.A. (Telemat), Telems Celular S.A. (Telems), Teleron Celular S.A. (Teleron) and Teleacre Celular S.A. (Teleacre), which provide, through authorizations or concessions, wireless communications services in the States of Goiás, Tocantins, Mato Grosso, Mato Grosso do Sul, Rondônia and Acre, respectively, and owns 100% of Norte Brasil Telecom S.A. (NBT) which provides, through authorizations or concessions, wireless communications services in the States of Amazonas, Roraima, Amapá, Pará and Maranhão, including related services. The Company also owns TCO IP S.A. (TCO IP), which provides telecommunications services, Internet access, solutions and other.

Telecommunications services provided by the subsidiaries, including related services, are regulated by ANATEL, as authorized by Law No. 9,472, of July 16, 1997, and the respective regulations, decrees, decisions and plans.

Migration from SMC to SMP

On February 3, 2003, ANATEL, TCO and its subsidiaries Telegoiás, Telemat, Telems, Teleron, Teleacre and NBT signed a document authorizing Personal Mobile Service (SMP), effective from the date of publication in the official government newspaper on February 5, 2003.

Authorizations granted to TCO and to Telegoiás, Telemat, Telems, Teleron, Teleacre and NBT are valid for the remaining periods of the concessions previously granted and currently replaced, to July 24, 2006, October 29, 2008, March 30, 2009, September 28, 2009, July 21, 2009, July 15, 2009 and November 29, 2013, respectively, and may be renewed once for 15 years, on a chargeable basis.

On July 6, 2003, the wireless operators implemented the Carrier Selection Code (CSP) on national (VC2 and VC3) and international long distance calls, in accordance with SMP rules. The operators no longer receive VC2 and VC3 revenues; instead, they receive interconnection revenues for the use of their networks on these calls.

2. Presentation of Interim Financial Statements

The individual and consolidated financial statements have been prepared in accordance with Brazilian accounting practices as defined by corporate law, standards applicable to concessionaires of public telecommu-

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

nication services, and accounting standards and procedures established by the Brazilian Securities Commission (CVM).

The consolidated financial statements include the balances and transactions of the Company and its subsidiaries as of September 30, 2003.

The financial statements as of June 30, 2003 and September 30, 2002 have been reclassified, where applicable, for comparison purposes.

In consolidation, all intercompany balances and transactions have been eliminated.

3. Summary of Principal Accounting Practices

The principal accounting practices adopted by the Company and its subsidiaries in the preparation of the interim financial statements as of September 30, 2003 are basically those described in the annual financial statements as of December 31, 2002.

4. Cash and Cash Equivalents

	Company		Consolidated	
	09.30.03	**06.30.03**	**09.30.03**	**06.30.03**
Cash and banks	3,248	26,701	9,781	53,254
Temporary cash investments	142,885	18,571	986,038	669,685
Total	146,133	45,272	995,819	722,939

Temporary cash investments refer principally to fixed-income bank deposit certificates (CDBs), indexed to interbank deposit (CDI) rates.

5. Securities

			Company		Consolidated	
Debentures	**Annual interest rate**	**Maturity**	**09.30.03**	**06.30.03**	**09.30.03**	**06.30.03**
FIXCEL	CDI plus 2%	August 8, 2003	—	147,054	—	223,522
Total			—	147,054	—	223,522

The Company, directly and through its subsidiaries, acquired debentures issued by FIXCEL S.A. in the amount of R$660,000, of which R$470,000 was on July 2, 2002 and R$190,000 on August 13, 2002, with maturities on June 27, 2003 and August 8, 2003, respectively, the liquidation dates.

6. Trade Accounts Receivable

Company	Consolidated

	09.30.03	06.30.03	09.30.03	06.30.03
Unbilled amounts	21,655	16,237	73,169	51,490
Billed amounts	42,849	42,836	150,559	132,688
Interconnection	27,925	19,199	118,462	71,884
Products sold	11,018	10,503	59,465	55,401
Allowance for doubtful accounts	(7,268)	(6,431)	(34,423)	(32,648)
Total	96,179	82,344	367,232	278,815

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Changes in the allowance for doubtful accounts are as follows:

	Company		Consolidated	
	2003	**2002**	**2003**	**2002**
Beginning balance	4,734	9,118	26,595	40,781
Addition to allowance for Q1	2,021	2,216	9,510	10,402
Write-offs(Q1)	(1,583)	(2,217)	(7,763)	(12,077)
Balance as of March 31	5,172	9,117	28,342	39,106
Addition to allowance for Q2	3,139	3,253	14,948	10,701
Write-offs(Q2)	(1,880)	(1,888)	(10,642)	(9,425)
Balance as of June 30	6,431	10,482	32,648	40,382
Addition to (reversal of) allowance for Q3	3,247	(1,459)	13,888	3,702
Write-offs(Q3)	(2,410)	(4,495)	(12,113)	(18,669)
Balances as of September 30	7,268	4,528	34,423	25,415

7. Inventories

	Company		Consolidated	
	09.30.03	**06.30.03**	**09.30.03**	**06.30.03**
Digital handsets	5,671	4,916	37,843	26,459
Other	2,822	2,842	9,570	10,332
Allowance for obsolescence	(376)	(376)	(1,329)	(1,329)
Total	8,117	7,382	46,084	35,462

8. Deferred and Recoverable Taxes

	Company		Consolidated	
	09.30.03	**06.30.03**	**09.30.03**	**06.30.03**
Recoverable income and social contribution taxes	1,388	390	2,182	710
Withholding income tax	5,352	8,065	20,121	23,478
Recoverable ICMS (State VAT)	10,027	9,337	46,364	47,275
Recoverable PIS and COFINS (taxes on revenue) and other	99	70	187	147

Recoverable taxes	16,866	17,862	68,854	71,610
Deferred income and social contribution taxes	36,213	35,710	74,509	72,755
Total	53,079	53,572	143,363	144,365
Current	45,908	44,682	111,592	115,313
Noncurrent	7,171	8,890	31,771	29,052

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Deferred income and social contribution tax credits are comprised of:

	Company		Consolidated	
	09.30.03	**06.30.03**	**09.30.03**	**06.30.03**
Merged tax credit (corporate restructuring)	7,949	9,539	27,429	32,915
Tax loss carryforwards				10
Temporary differences reserves and allowances:				
Contingencies	23,396	22,304	23,999	22,872
Doubtful accounts	2,471	2,186	11,704	11,077
Other	2,397	1,681	11,377	5,881
Total	36,213	35,710	74,509	72,755
Current	34,624	32,530	68,664	61,784
Noncurrent	1,589	3,180	5,845	10,971

Deferred tax credits have been recognized based on the assumption of future realization, as follows:

a) Tax loss carryforwards of the subsidiary NBT were offset up to a limit of 30% per year of taxable income.

b) The merged tax credit consists of the net balance of goodwill and the reserve for maintenance of integrity of shareholders equity (Note 30); it is realized as the goodwill is amortized through December 31, 2004.

c) Temporary differences are realized upon payment of the accruals and effective losses on bad debts.

Realization of the tax credits is estimated as follows:

Year	Consolidated
2003	21,745
2004	31,321
2005	21,443
Total	74,509

9. Prepaid Expenses

	Company		Consolidated	
	09.30.03	**06.30.03**	**09.30.03**	**06.30.03**
Financial charges	513	556	1,132	1,228
ICMS (State VAT) on sales of prepaid cards	385	409	2,290	2,325
Insurance premiums	311	171	858	484
Other	484	276	2,720	1,147

Total	1,693	1,412	7,000	5,184

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. Other Assets

	Company		Consolidated	
	09.30.03	06.30.03	09.30.03	06.30.03
Advances to employees and other	2,531	2,004	4,829	4,348
Auxiliary materials	920	879	75	379
Tax incentives		1,302		3,912
Swap credits	415	656	836	1,416
Advances for purchase of shares	43,330	42,242	43,330	42,242
Escrow deposits	12,263	12,199	12,730	12,548
Other	755	766	5,679	3,754
Total	60,214	60,048	67,479	68,599
Current	4,264	3,798	10,701	8,789
Noncurrent	55,950	56,250	56,778	59,810

Company management elected to write off amounts related to investments in FINAM/ FINOR quotas, made by its subsidiaries, except NBT, in their respective 1998 income tax returns, because investment certificates have not been issued by the financial institutions to date and the market value of the quotas is immaterial.

11. Investments

a) Investments in Subsidiaries

Investee	Common stock interest(%)	Preferred stock interest(%)	Total interest(%)
Telegoiás	98.61	96.34	97.14
Telemat	99.51	96.27	97.83
Telems	99.63	97.64	98.54
Teleron	98.26	96.64	97.23
Teleacre	99.96	96.61	98.35
NBT	100.00	100.00	100.00
TCO IP	99.99	100.00	99.99

b) Number of Shares Held

Investee	Common	Preferred	Total
Telegoiás	2,281	4,146	6,427
Telemat	329	345	674
Telems	542	650	1,192
Teleron	247	438	685
Teleacre	999	891	1,890
NBT	24,001	47,999	72,000
TCO IP	499	500	999

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

c) Information on Subsidiaries

Investee	Shareholders equity 09.30.03	Net income (loss) - YTD
Telegoiás	489,234	105,465
Telemat	281,999	61,821
Telems	220,177	44,443
Teleron	69,713	17,216
Teleacre	37,186	8,468
NBT	209,674	31,721
TCO IP	(3,451)	(3,771)

d) Components and changes

Investments of TCO are comprised of interests in the capital of Telegoiás, Telemat, Telems, Teleron, Teleacre, NBT and TCO IP, as well as goodwill and advances for future capital increases, reserves for investment losses and other investments, as shown below:

	Company		Consolidated	
	09.30.03	06.30.03	09.30.03	06.30.03
Investments in subsidiaries	1,237,359	1,144,667		
Goodwill paid on investment acquisitions, net	51,539	51,929	4,787	5,177
Advance for future capital increase	510	510		
Reserve for investment losses	(4,961)	(3,884)		
Other investments	22	22	191	191
Investment balance	1,284,469	1,193,244	4,978	5,368

Changes in investment balances are as follows:

	Quarters ended	
	09.30.03	06.30.03
Beginning balance investments, net of reserve for loss	1,193,244	1,138,739
Equity pick-up	92,602	92,437
Interest on capital		(37,558)
Goodwill paid on investment acquisitions	6	8
Reserve for investment losses	(1,077)	(1,722)
Investment in subsidiaries	84	1,243
Interest on capital and expired dividends (subsidiary)		487
Amortization of goodwill	(390)	(390)
Ending balance investments, net of reserve for loss	1,284,469	1,193,244

Goodwill in the amount of R$4,787 (R$5,177 as of June 30, 2003) refers to:

NBT

a) Acquisition of the 45% equity interest in NBT from Inepar S.A. (Inepar) in May 1999, capital increase in June 2000 by the Company.

b) Negative goodwill on purchase of the 1.67% equity interest in NBT from Inepar in September 2003 in the amount of R$2,282.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

c) Amortization in the third quarter of 2003 in the amount of R$390.

Telegoiás

Acquisition of Telegoiás shares in the market in November 2001.

The goodwill related to NBT and Telegoiás is being amortized over ten and five years, respectively.

12. Property, Plant and Equipment

		Company			
		09.30.03			06.30.03
	Annual depreciation rate - %	Cost	Accumulated depreciation	Net book value	Net book value
Transmission equipment	14.29	283,484	(202,053)	81,431	87,977
Switching equipment	10	85,743	(33,317)	52,426	55,632
Infrastructure	5 to 10	70,197	(40,351)	29,846	29,814
Land		2,185		2,185	2,185
Software use rights	20	42,419	(21,131)	21,288	23,058
Buildings	4	11,858	(5,723)	6,135	6,207
Terminals	50	15,465	(14,051)	1,414	1,570
Other assets	5 to 20	27,873	(12,772)	15,101	15,332
Assets and construction in progress		16,045		16,045	4,733
Total		555,269	(329,398)	225,871	226,508

		Consolidated			
		09.30.03			06.30.03
	Annual depreciation rate - %	Cost	Accumulated depreciation	Net book value	Net book value
Transmission equipment	14.29	808,995	(473,222)	335,773	348,707
Switching equipment	10	270,732	(94,784)	175,948	179,831
Infrastructure	5 to 10	175,349	(68,121)	107,228	108,393
Land		7,871		7,871	7,822
Software use rights	20	118,122	(49,627)	68,495	71,894
Buildings	4	27,829	(7,844)	19,985	19,566
Terminals	50	26,802	(21,163)	5,639	5,815
Concession licenses	6.90	60,550	(16,414)	44,136	48,009
Other assets	5 to 20	59,869	(25,700)	34,169	34,300
Assets and construction in progress		58,009		58,009	44,276
Total		1,614,128	(756,875)	857,253	868,613

Management is conducting studies to evaluate the useful lives of the property items. Possible effects resulting from these studies that may change the useful lives of the assets will be recognized in the yearend financial statements for 2003.

Starting in December 2002, the useful life of terminals was reduced to two years, in order to better reflect the state of operations. The effect of this reduction from January to September 2003 represented an increase of R$2,940 in depreciation expense.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. Deferred Charges

	Consolidated		
	Annual amortization rate -%	**09.30.03**	**06.30.03**
Preoperating costs:			
Financial expenses	10	16,701	16,701
General and administrative expenses	10	28,060	28,060
		44,761	44,761
Accumulated amortization		(16,647)	(15,512)
Total, net		28,114	29,249

14. Trade Accounts Payable

	Company		Consolidated	
	09.30.03	**06.30.03**	**09.30.03**	**06.30.03**
Suppliers	36,311	31,294	124,167	100,905
Interconnection	8,837	7,278	36,816	27,907
Amounts to be repassed SMP	15,301		67,540	
Profit sharing program employees	2,197	1,029	4,031	1,939
Other	1,075	1,881	2,090	3,416
Total	63,721	41,482	234,644	134,167
Current	63,049	40,810	233,972	133,229
Long-term	672	672	672	938

15. Taxes Payable

	Company		Consolidated	
	09.30.03	**06.30.03**	**09.30.03**	**06.30.03**
State VAT (ICMS)	15,593	13,449	67,594	63,631
Income and social contribution taxes	3,514	1,980	16,620	8,066
Taxes on revenue (PIS and COFINS)	2,622	2,953	8,459	9,432
FISTEL fees	8,391	5,189	36,622	22,545
FUST and FUNTTEL	265	331	1,003	1,149
Other	765	867	2,258	2,262

Total	31,150	24,769	132,556	107,085
Current	31,150	24,769	124,799	100,667
Long-term			7,757	6,418

The long-term portion refers to the benefit under the Programa Teleproduzir , an agreement made with the Goiás State Government for deferral of ICMS payments, entered into on October 16, 2001. This amount will be paid in 84 monthly instalments, with a grace period of 12 months from the date of utilization, estimated for October 2004.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. Loans and Financing

a) Composition of debt

			Company		Consolidated	
Description	**Currency**	**Annual charges**	**09.30.03**	**06.30.03**	**09.30.03**	**06.30.03**
BNDES	R$	TJLP + 3.5% to 4%	12,823	13,908	181,678	191,282
Other	R$	Column 20-FGV			1,941	2,036
Finimp	US$	Libor + 2% to 7%	14,694	38,308	44,111	120,700
Resolution No. 2,770	US$	US$ + average interest of 7.41%	307	22,873	2,623	31,297
Export Development Corporation EDC	US$	Libor (6 months) + 3.90% to 5.00%	69,456	88,858	151,631	145,250
BNDES basket of currencies	UMBNDES	Basket of currencies variation + UMBNDES + 3.5%			17,132	17,522
Interest			2,573	6,059	5,497	11,007
Total			99,853	170,006	404,613	519,094
Current			44,338	101,387	153,745	262,670
Long-term			55,515	68,619	250,868	256,424

TJLP Brazilian long-term interest rate

Column 20-FGV (index Getúlio Vargas Foundation)

b) Repayment schedule

The long-term portion of loans and financing matures as follows:

Year	**Company**	**Consolidated**
2004	10,931	33,823
2005	24,215	90,560
2006	20,369	83,231
2007		39,663
2008		3,591
Total	55,515	250,868

c) Restrictive clause

The Company and its subsidiaries have loans and financing from the National Bank for Economic and Social Development (BNDES) and Export Development Corporation (EDC), the balances of which at September 30, 2003 were R$198,810 and R$151,631, respectively. As of that date, various loan covenants were complied with by the Company.

d) Hedges

As of September 30, 2003, the Company and its subsidiaries have exchange contracts in the amount of US$76,658,000 to totally hedge against exchange rate fluctuations on foreign currency obligations. As of September 30, 2003, the Company and its subsidiaries recognized a net unrealized loss of R$13,940 (net loss of R$14,445 as of June 30, 2003) on these hedges, represented by a balance of R$836 (R$1,416 as of June 30,

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2003) in assets, of which R$121 (R$318 as of June 30, 2003) in current and R$715 (R$1,098 as of June 30, 2003) in noncurrent, and a balance of R$14,776 (R$15,861 as of June 30, 2003) in liabilities, of which R$10,252 (R$12,233 as of June 30, 2003) in current and R$4,524 (R$3,628 as of June 30, 2003) in long-term.

e) Guarantees

Banks	Guarantees
BNDES TCO operators	15% of receivables and pledged CDBs equivalent to the amount of next installment payable.
BNDES NBT	100% of receivables and pledged CDBs equivalent to the amount of next installment payable during the first year and CDBs equivalent to two installments payable in the remaining period.
EDC	TCO s and other subsidiaries guarantees.
Other loans and financing	TCO s guarantee.

17. Other Liabilities

	Company		Consolidated	
	09.30.03	**06.30.03**	**09.30.03**	**06.30.03**
Services to be provided prepaid	1,539	1,635	8,411	8,625
Accrual for customer loyalty program(a)	340	340	870	870
Customers	3,670	3,044	9,731	7,913
Total	5,549	5,019	19,012	17,408

(a) On November 1, 2002, the Company launched a customer loyalty program whereby the customer makes calls and earns points redeemable for prizes (call minutes, points in TAM airline loyalty program, and other). The points expire in 24 months. Accumulated points are accrued when granted, considering redemption prospects based on the consumption profile of participant customers. The accrual is reduced when points are redeemed by customers.

18. Reserve for Contingencies

The Company and its subsidiaries are parties to certain lawsuits involving labor, tax and civil matters. Management has recognized reserves for cases in which the likelihood of an unfavorable outcome is considered probable by its legal counsel.

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Components of the reserves are as follows:

	Company		Consolidated	
	09.30.03	**06.30.03**	**09.30.03**	**06.30.03**
Labor(c)	29	9	245	210
Civil(c)	237	5	1,785	1,465
Tax(b)	10,134	9,525	10,144	9,535
Other(a)	92,194	89,844	92,194	89,844
Total	102,594	99,383	104,368	101,054

(a) This corresponds to original loans from Telecomunicações Brasileiras S.A. TELEBRÁS, that, according to Attachment II to the Spin-off Report dated February 28, 1998, approved by the Shareholders Meeting held in May 1998, and in the opinion of Company management, should be allocated to the respective holding companies of Telegoiás and Telebrasília Celular S.A.

Management believes that there was an error in the allocation of the loans upon the spin-off, suspended the payments after the change in the Company s control, and is restating the loans based on the general market price index (IGP-M) plus 6% annual interest.

In June 1999, the Company filed a lawsuit with a declaration claiming that all assets related to these loans are owned by it, as well as the accessory items of these assets, and also claiming for indemnities for the installments paid.

In November 1999, management decided to transfer to the holding company the liability arising from the loan originally payable to TELEBRÁS, since the liability was absorbed in the spin-off process.

On August 1, 2001, a court decision dismissed the Company s claims in the declaratory action; however, on October 8, 2001, the Company filed an appeal, which has not yet been judged.

The opinion of the Company s legal counsel regarding the chances of an unfavorable outcome on these contingencies is that they are probable as to the merit of the claim and possible as to the restatement index. The difference in contingencies not recognized between the original contractual rates and the restatement index used as described above is estimated at R$35,205 (R$34,600 as of June 30, 2003).

(b) Tax

The principal tax contingencies of the subsidiaries are described below:

1) ICMS (State VAT)

On June 19, 1998, the Revenue Secretaries of the individual Brazilian States approved an agreement interpreting existing Brazilian tax law and broadening the application of the ICMS, a State value-added tax, to cover not only telecommunication services but also other services, including cellular activation fees which had not previously been subject to such tax. Pursuant to this new interpretation of tax law, the ICMS tax may be applied retroactively for such services rendered during the last five years prior to the aforementioned date.

Management believes that the attempt by the State Revenue Secretaries to extend the scope of ICMS tax to services which are supplementary to basic telecommunication services is unlawful because: (a) the State Secretaries acted beyond the scope of their authority, (b) their interpretation would subject certain services to taxation which are not considered telecommunication services, and (c) new taxes may not be applied retroactively. Accordingly, the operating companies did not accrue ICMS on cellular activations prior to June 1998 and also believe that in the period prior to 1998, the liability for any taxes is the responsibility of the spun-off company which originated the cellular companies controlled by the Company.

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

After June 1998, the companies controlled by the Company started to accrue ICMS on cellular activation fees; however, based on the opinion of legal counsel, the companies reversed the accrual in the amount of R$4,925 as of June 30, 2003.

2) PIS and COFINS

The Company is a party to two lawsuits: the first challenges the increase in the COFINS rate and the second the change in the calculation basis of PIS and COFINS. Amounts for the COFINS rate increase have not been accrued while the effect of the expansion of the PIS and COFINS calculation basis has been accrued, based on legal counsel s opinion as to the chances of success in that litigation.

The amount reserved as of September 30, 2003 was R$10,134 (R$9,525 as of June 30, 2003).

(c) Labor and civil

Include claims for compensation for moral damages and other employee claims, for which a reserve has been recorded in the amount of R$2,030 as of September 30, 2003 (R$1,675 as of June 30, 2003) to cover any loss that might result.

Additionally, the Company is a party to several other civil and labor lawsuits totaling approximately R$5,570, for which no reserve for contingencies was recognized, based on legal counsel s opinion.

19. Leases (Consolidated)

For the first nine months of 2003, the subsidiaries had expenses under lease agreements totaling R$3,114. The outstanding obligations under such agreements, adjusted for exchange rates prevailing at September 30, 2003, are R$5,256. This amount will be paid in monthly, bimonthly and quarterly installments through June 2005, as established in the related agreements.

20. Shareholders Equity

a) Capital

On April 29, 2003, pursuant to article 199 of Brazilian corporate law, the Company increased its capital by R$36,049, without issuance of new shares, through capitalization of part of the profit reserve exceeding capital as of December 31, 2002.

As of September 30, 2003, capital is represented by shares without par value, as follows:

	Thousands of shares
Common shares	126,433,338
Preferred shares	252,766,698
Total	379,200,036

b) Dividends

Preferred shares do not have voting rights, except in the circumstances set forth in article 12 of the by-laws; they have priority in the redemption of capital, without premium, are entitled to receive dividends of at least 25% of net income for the year, calculated as defined by article 202 of corporate law, have priority in the payment of minimum, noncumulative dividends based on the greater of the following: (a) 6%

per year of the amount resulting from the division of subscribed capital by the total number of shares outstanding, or (b) 3% per year of the amount resulting from the division of shareholders equity by the total number of shares outstanding, and are entitled to receive dividends equivalent to those paid to holders of common shares, after

Table of Contents

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

dividends in the same amount as mandatory minimum dividends on preferred shares have been paid to such holders.

c) Special premium reserve

This reserve resulted from the corporate restructuring implemented by the Company and will be capitalized in favor of the controlling shareholder when the related tax benefit is effectively realized.

d) Treasury shares

Shares held in treasury as of September 30 and June 30, 2003 totaled 5,791,394,000 common shares; in 2003, no common or preferred treasury shares have been purchased.

21. Net Operating Revenue

	Nine Months Ended September 30			
	Company		Consolidated	
	2003	2002	2003	2002
Monthly subscription charges	36,709	31,764	108,527	82,737
Use of network	199,712	169,061	803,773	628,144
Roaming charges	4,542	5,959	12,109	14,868
Additional call charges	6,303	5,653	18,585	17,414
Interconnection	143,718	131,514	578,962	476,666
Additional services	6,515	3,965	20,428	9,695
Sale of products	47,561	46,893	233,606	181,854
Revenue from Internet			619	876
Other services	586	207	3,062	209
Gross operating revenue	445,646	395,016	1,779,671	1,412,463
Deductions	(87,093)	(76,747)	(373,284)	(287,795)
Total	358,553	318,269	1,406,387	1,124,668

22. Cost of Services Provided and Products Sold

	Nine Months Ended September 30			
	Company		Consolidated	
	2003	2002	2003	2002
Personnel	(5,889)	(4,699)	(13,752)	(11,284)
Outside services	(7,165)	(4,969)	(32,825)	(19,823)
Connections	(5,433)	(4,153)	(27,967)	(25,889)
Rent, insurance and condominium fees	(1,984)	(1,257)	(9,658)	(6,840)
Interconnection	(32,027)	(27,064)	(125,214)	(104,020)

Taxes and contributions	(10,964)	(8,871)	(51,570)	(41,586)
Depreciation and amortization	(37,760)	(34,665)	(122,697)	(92,024)
Cost of products sold	(58,114)	(50,004)	(250,085)	(192,957)
Other	(2,206)	(2,013)	(8,627)	(6,244)
Total				