



social**balance** 2005



Besides investing on mobile communication technology, Claro promotes social welfare ideas, attitudes and projects. Through its Social Responsibility program – **Claro para Todos** [Claro for Everyone] – and the dialogue with its employees, clients, suppliers, commercial partners, the Government, and society, Claro believes and invests on building a better world. For everyone.

Learn more about Claro, as well as all the social actions that it and its partners were part of throughout 2005.





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message from the president

In 2005, Claro consolidated and broadened its social actions in Brazil. An important step was to make it official the Company as signatory of the United Nations Global Pact. With that, we made formal our constant commitment with the defense of human rights, labor rights, environmental rights and ethical rights. Throughout the whole year, through Claro para Todos [Claro for Everyone] Program, we incremented our social investment, internally and externally, privileging actions that brought value to culture, education and labor as social transformation tools.

We have full understanding of the enormous complexity of Brazilian social status and the different roles and responsibilities of each social agent. But, above all, we evermore recognize the power of transformation carried out by companies. The building of an ethical, altruistic and responsible relation with employees, clients, suppliers, commercial partners, the Government and with society as a whole is a fundamental aspect for longterm social transformation.

Besides that, it is already widely recognized that economic growth detached from the social agent is not sustainable, and that altruism and citizenship are values that complete and reinforce each other. Taking that into consideration, in 2005, we increased even more our employees' involvement in the Company social projects. It is not by chance that we dedicate great attention to corporate voluntarism. For Claro, besides being a way to promote social welfare and to foment citizenship, it contributes for the creation of an active, diverse, and organized team focused on the search for creative solutions, which generates benefits within and outside the Company.

Due to all of that, it is with great satisfaction that we, once again, publish this edition of our Social Balance. By doing so, we seek to share with society our values and commitment of investing on mobile communication technology, doing business in an ethical and responsible manner and contributing to the social development of the Country. Learn more about Claro, a company that believes in a more just society for all.



Luis Cosío
President

global pact

Launched in 1999 by the United Nations, the Global Pact is a program that purposes to mobilize the international corporate community for the promotion of fundamental values in the areas of human rights, labor relations, environment and ethics.

The Pact advocates ten universal principles, derived from the Universal Human Rights Declaration, from the International Labor Organization on Fundamental Workplace Principles and Rights, from the Rio Declaration on Labor and Development and from the United Nations Convention Against Corruption:





Human Rights Principles

- Respect and protect human rights.
- Encumber human rights violations.

Workplace Rights and Principles

- Support the freedom to unionize in the workplace.
- Abolish forced labor.
- Abolish child labor.
- Eliminate discrimination in the workplace.

Environmental Protections Principles

- Support a preventive approach to environmental challenges.
- Promote environmental responsibility.
- Encourage technologies that do not damage the environment.

Principles against Corruption

- Fight off corruption in all its forms, including extortion and bribery.





economy sector

The mobile telephony is already one of the main Brazilian communication channels. Anatel numbers confirm that trend: 86.2 million of users on December 2005. In 2004, the number of subscribers was 66 million.



company profile

Claro assists both individuals and companies through plans and services for all kinds of client profiles. In the corporate market, the company has clients in all regions in which it operates, including large, medium and small-size companies and Governmental entities.

Claro provides 100% digital coverage in the entire Country with GSM technology, the most used in the world, immune against cloning. The company constantly invests on the expansion of its network, which was already conceived with EDGE compatibility, service that transmits data at speeds up to 236 Kbps, four times faster than the commonly used speed. In 2005, the company launched data transmission via Wi-Fi, which enables web access, broadband at speeds up to 11 Mbps.

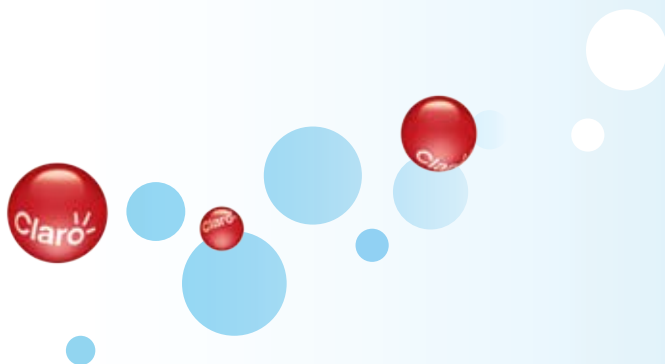
EDGE assists more demanding consumers, which need internet access speed, speed in sending and receiving multimedia (MMS) messages and e-mails and speed in data transmission. For corporate clients, the technology ensures many advantages such as company intranet access, electronic mail applications access and access to many wireless applications for the automation of the sales force or external teams.

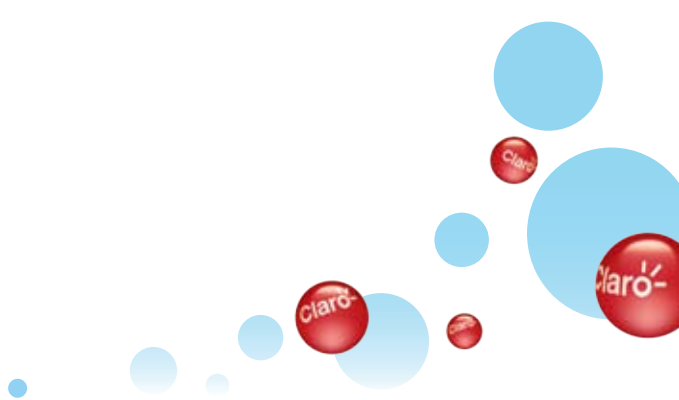
Claro has the largest portfolio devices of the market, with more than 60 models of various brands. Among the available devices, one can highlight telephones with differentiated services: color visor, internet, photo camera, Palm-GSM and other PDAs.

Claro has roaming agreements in more than 120 countries of the five continents. Together, those operator companies are involved in more than 90% of the world calling traffic. The roaming service provides to post-paid plan clients the comfort of using their own cell phone on international trips.

In 2005, Claro celebrated one year of the Claroidéias Portal launching. The year was expressive for the VAS (Value-Added Services) market and revealed the interest of the Brazilian mobile telephony user in cell phone services besides voice services. The aggregated value services are really growing and evermore present in the daily activities of users.

The ringtones were one of the great responsible factors for the growth of the area, so much so, that from September 2004 to October 2005, clients downloaded more than 35 million Hits, between monophonic, polyphonic and MP3. Besides that, they downloaded approximately 8 million images, such as wallpapers and screen savers, and more than 1.3 million videos and 1.5 million games. In total, Claro had approximately 46 million downloads.





Within this same period, the company accounted the sending of more than 1.2 billion SMS (Short Message Service) messages. The MMS (Multimedia Messages) messages, a service that is still venturing its first steps, also played an important role in this picture – company clients sent more than 18 million MMS. The Claroidéias Portal recorded an average of 9 million visits per month within this period.

Claro credits all this success to the constant search for new features that pleases its users and to successful partnerships. In 2005, the company was the first to sign an agreement with TV Globo for the promotion of videos of goals from the Brazilian National Soccer Championship via cell phone, a national pastime.

In the movies segment, the company is the only to provide Disney content, a world fad that pleases people of all ages.

Furthermore, Claro is the pioneer in the promotion of MP3 Hits within the Brazilian market, ending 2005 cutting large agreements with recording companies such as Sony, BMG, Warner Music, Universal Music and Building Records.

Claro also seeks to integrate our clients' universe to the devices, with projects such as Demo Hits and Toque de Arte [Art Touch].

The first project helps garage bands to come out of anonymity. Each month, the company chooses ten songs that became hits for cell phones and, every semester, one gets its own video clip that is shown in MTV. The second project is directed to new artists and purposes to divulge the best talents in plastic arts.

The five best projects of each month are selected and offered for image download as wallpaper. All these contents are free.

For greater client safety, Claro developed the ClaroContatos, application for backup and phonebook synchronization. The new feature works in any device of the Claro portfolio that has the 64 KB ClaroChip. With that, the client may include or exclude contacts through the Web, print his/her contact list directly from the internet and, most of all, restore contacts in case of loss, theft or damaging of the chip. The client may change his/her current 32 KB chip for a 64 KB chip, maintaining the line number.

ClaroEmpresas

Ensure greater productivity for various types of companies. With that goal, Claro – the cellular phone telephony company – harbors a business unit specialized in the development of customized communication solutions for all kinds of corporations. ClaroEmpresas integrates mobile solutions for companies of all sizes with the advantage of offering customized assistance, flexible plans and total cost and usage management, besides distinguished rates.

ClaroEmpresas distinguishing points:

Online Manager

It is a tool created to manage – through the operator company's website – the use of the company cell phones. Through the Online Manager, the company may create a complete cell phone use profile for each employee, defining the days and times that he/she may use it and how – local calls, long distance national and/or international calls. The solution enables cost control by both the company and the employee.

Claro Corp

Enables the client to be connected to his/her office. It enables the access to various services through the cell phone such as e-mails and phonebook updating. The services are accessed through icons appearing in a single screen of the cell phone, which comes automatically programmed in the Smartphone type cell phones.

Claro Corp Services

Corporate E-mail: enables access to the client company's server e-mail account (Microsoft Exchange® 2003). That service enables synchronization of e-mails, contacts, phonebook and engagements.

Claro Corp E-mail: the client may contract an e-mail account directly from Claro, using its own domain. That also includes the functionalities and the safety of the Microsoft Exchange® platform and automatic synchronism.

Content: Claro Corp also provides different services such as Mobile Banking, Hands, Google, Sabre, among others.



Claro Direct

The operator company provides for the corporate segment the Claro Direct services, which uses the Push to Talk Over Cellular (POC) technology to enable the users to communicate among themselves at the touch of one button. The service's target audience is companies and institutions that wish to speed up the work and increment productivity of their teams and field professionals, given that it makes it easier and faster the sharing of information, even when in groups. That differential provides important savings on calls, reducing costs and augmenting synergy. Claro Direct is recommended to organizations focused on sales, marketing, logistics, security, maintenance, among others.

VipNet Mobile

Service which integrates Embratel's voice virtual private network and Claro's cell phones all over Brazil. With it, the cell phone begins to integrate the contracted service. Thus, the Embratel client who calls from his/her fixed phone or from his/her Claro cell phone to another fixed or cellular Claro phone, will have the call recognized and treated as corporate, given that it will be charged differentiated rates, which may represent savings of more than 50% for the corporate client. The service is particularly useful for large companies with branch offices in different States.

Torpedo Team

Direct and quick channel for the company to communicate with employees, suppliers and clients. The solution enables the unlimited sending of torpedoes at the same time. The messages may be customized and grouped for sending, according to the client need. The Torpedo Team also enables checking and printing of reports.

Wi-Fi, EDGE and GPRS Technologies

Claro offers many services for clients who want to transmit data through their mobile network, using a cell phone, a palm or laptop. Companies count on distinguished packages, according with the data volume to be used.



mission and vision

In 2005, Claro carried out an important consolidation initiative of its identity with the identity of its main shareholder, the América Móvil group. In this process, the Company priorities, its mission and values were reviewed and disseminated throughout the entire company.

Claro prioritizes the creation of value to its shareholders, being an open company for the venturing of new business, motivation and commitment of its employees and its responsibility towards the community.

Its mission is to be a leader mobile communication group in Brazil. As to leadership, we mean to be the number one as regards profitability and in the number of clients in the Brazilian mobile communication market.





the company


History

Claro – cellular telephony company – is one of the main companies in Brazil. Founded on September 2003, the company is the result of the unification of six operator companies: Americel (West-Central and part of the Northern Region), ATL (State of Rio de Janeiro and State of Espírito Santo), BCP Nordeste, BCP SP, Claro Digital (State of Rio Grande do Sul) and Tess (Interior region and Coastal regions of the State of São Paulo).

Claro is controlled by the América Móvil group, the greatest in the Latin American cellular telephony sector. Headquartered in Mexico, the Company has more than 95 million fixed and mobile line clients in countries like Argentina, Chile, Colombia, El Salvador, Ecuador, United States, Guatemala, Honduras, Mexico, Nicaragua, Paraguay, Peru and Uruguay, besides Brazil. In 2005, América Móvil was chosen by Business Week magazine as company number one in the “Information Technology 100” ranking. This important recognition solidifies América Móvil’s leadership in the world market, with the provision of high quality services and products to millions of clients in the entire Latin America.

América Móvil started to acquire shares of Brazilian companies of the sector in 2000. The consolidation of the shares and the integration of the operator companies were carried out through its subsidiary – TelecomAméricas. In 2002, it was acquired, through auctioning – licenses to operate in the metropolitan region of São Paulo and in the States of Sergipe, Bahia, Paraná and Santa Catarina. On May 2003, there was the incorporation of BSE AS (BCP Nordeste). On September 2003, it was announced the consolidation of all the operator companies under a single identity – the brand Claro. BCP SP was incorporated by the group on December 2003.

Claro operates nationally in 21 States and in the Federal District, is present in more than 2200 cities and assists more than 18.7 million clients, according to the third quarter balance of 2005, announced in October by America Móvil.



Principles and Values

As part of its internal commitment with the UN's Global Pact, Claro promotes corporate policies and strategies guided by ethics and by transparency. Values such as honesty, work and austerity are fundamental to accommodate the Company's strategy, and are upon those values that we find support to achieve long-term sustainable results.

Claro makes its concern with its values official when requiring that all managers sign and disseminate in their team the Code of Ethics and Conduct. The principles that guide Claro employees' commitment and that the Company highlights as ethical values fundamental for the development of its businesses and of society are: respect regarding color, sex, age, handicap, political conviction or religious creed differences, commitment with social responsibility, respect to freedom of speech and good faith in commercial relations.

In Claro's Code of Ethics and Conduct are grouped premises that must be rigorously followed in the Company routines by all the employees, regardless of job position or function. The greater objective is to diminish the subjectivity of personal interpretations upon moral and ethical principles.

The general principles of that code are:

- Claro has absolute conviction that to consolidate itself, develop and be the first in the ranking of personal mobile service, it must begin with precise corporate objectives and ethical principles that would be shared by shareholders and employees.
- Claro pursues the reputation of a solid and trustworthy company, aware of its social and corporate responsibility.
- All the guidelines must always be marked by trust, integrity and loyalty, as well as respect and valorization of the human being.
- It is strongly repelled by Claro attitudes guided by prejudice related to origin, religion, social status, sex, color, age or handicap, just as any other form of discrimination.
- Claro intends to grow and evolve in the telecommunications market, providing assistance to society's expectations, serving it in accordance with the common interest and respecting the legislation in effect.
- Claro does not participate or supports movement or political campaigns of any nature.

Claro's Code of Ethics and Conduct is published in its corporate intranet. That document contains the procedures that must be adopted by employees in case of questions, suggestions or recording of any occurrences.

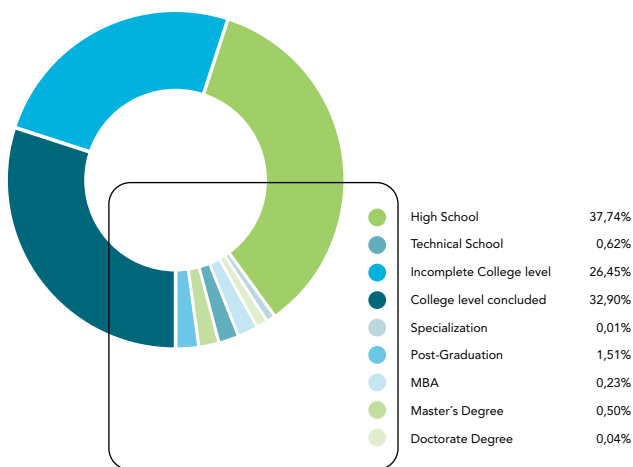
Structure and Operation

Claro directly employs more than 7000 employees. In 2005, the Company held as its main focus the alignment of its organizational structures to its business management model. The main objective was to make feasible and easier the organization of professionals per processes and to define roles and responsibilities between the main office and the regional branches.

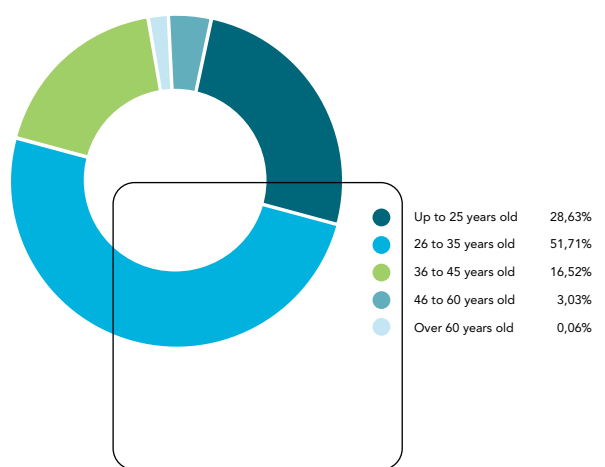
This alignment had the support of the development of a series of programs and tools, such as: methodology review and dimensioning structures, talent mapping and succession plan and performance evaluation and capacity/ability plan.

In 2005, 80.38% of Claro's employees were up to 35 years old, 35.19% had concluded college level education and 52.36% were women. The average work time of the employees in the Company is 5 years.

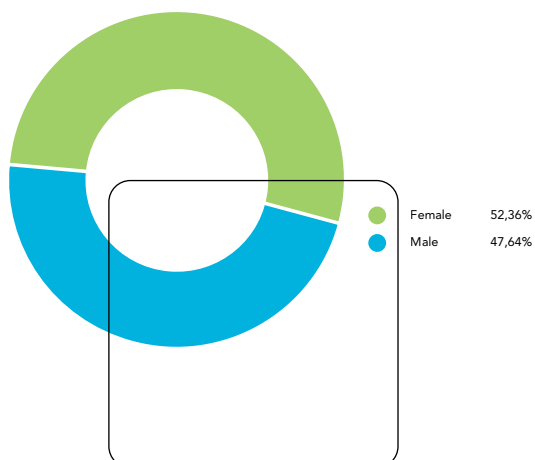
Schooling:



Age:



Sex:





People Development

People management at Claro is aligned to the mission and to the company values, which translate into its organizational competencies. The objective is to ensure the involvement and the commitment of all with the planning, management, execution, accompaniment and the correction of directions, whenever necessary. For that reason, Claro believes in the selfdevelopment as strategy for personal and professional growth.

The recognition, the generation of internal opportunities and the actions for formation and development may be noticed through the following:

- Internal Recruiting Program: moving and promotion of 152 employees in 2005.
- Internship Program: definitive hiring of 26% of all interns in 2005.
- Partnerships with universities and education institutions: easier access to education formation and to professional updating.

Compensation

Purposing to retain and attract the best professionals, Claro's compensation policy seeks to always be in line with the main market practices. Employee compensation, regardless of hierarchical level, is composed of a fixed portion and a variable portion, given that the latter is linked to the PPR – Profit Sharing, subjected to the fulfillment of the organizational goals.

Benefits

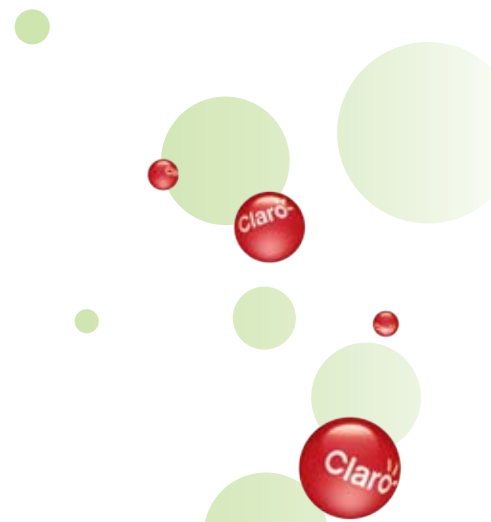
Claro grants a series of benefits, besides the ones established by law. Among them, the following can be highlighted:

- Social Security Plan.
- Life Insurance for employees and their dependents.
- Medical and Dental Plans for employees and their dependents.

Integration actions and Internal Communication

With the objective to strengthen América Móvil's organizational culture in its operations in Brazil and to favor a corporate environment focused upon results, Claro developed programs and implemented direct communication channels with its employees. That way, it was possible to share information relevant to the business, necessary to the good daily management of the areas and of our employees' interest.

Communication played an essential role in the integration of the different Claro's regional branch offices and their employees, providing opportunity for all to get updated about the group's corporate dynamics.





Union Relations

Claro keeps collective bargain negotiations in the entire Country, always guiding those relations in a friendly and harmonic manner, conciliating its interests with its employee's interest.

Health and Quality of Life

Claro develops quality of life initiatives, seeking to prevent work related illnesses and providing incentive to corporal awareness, to moving around, to good physical posture and to health care for a good professional performance.

Workplace Safety

Claro fulfills all the legal resolutions related to workplace safety. The Internal Commissions on Accident Prevention (CIPAs) plays a strong role in the Company, carrying out ergonomic evaluations and diagnosis of unhealthy environments and promoting/organizing the Internal Workplace Accident Prevention Weeks (SIPATs).

Corporate Governance

The American law Sarbanes Oxley (SOX) aims at assuring the quality and transparency of the accounting, administrative and reporting information. As part of the SOX certificate process, Claro, through BCP S.A., Americel S.A. and Telet S.A., which compose it, adopts the principles of corporate governance, increasing the comfort and trust of its shareholders and possible investors under three guiding principles: transparency, reporting and equity.

For such principles to effectively begin to be part of Claro's organizational culture, it is essential that its Administrative Councils – shareholder representatives – exert the role of a management body, establishing objectives, policies and strategies for the Company's businesses. To delimit the scope of the businesses, product lines and services offered, to select the independent auditors and to decide about the issuance of shares are examples of these Councils' tasks.

The Administrative Councils of Claro group's companies are currently comprised by three official members and three substitute members, all elected by the shareholders, for two-year terms (in the cases of Americel S.A and Telet S.A.) or three-year terms (in the case of BCP S.A.).

Besides the Administrative Councils, the Statutory Board of Claro's companies possess great relevance for Claro's administration, currently formed by three or four members, all elected by the Administrative Council for two or three-year terms.

Strategic Management

Claro holds as its strategy to ensure the growth of the client base and the growth of its profitability. For such, in 2005, it invested on a series of actions guided toward the unification of its operations in Brazil as a whole, such as the standardization of the financial, logistic, sales and supply processes, totally computerized under SAP, besides the unification of the billing and client assistance systems.

Sales, Advertising and Marketing Management

With products such as "POC" (Push to Talk Over Cellular), style plans and exclusive partnerships – such as the partnership with Walt Disney – as well as the sponsorship of large events – Lenny Kravitz concert and "Claro que é rock" – Claro, throughout 2005, attracted new clients and ensured its brand consolidation, which has only two years of existence.

claro and the global pact

Human Rights

Claro seeks to go beyond its economical and legal obligations as to quality service provision. Below, it will be shown indicators and descriptions of some social investments the Company made towards respect and the promotion of human rights in society.

EXTERNAL SOCIAL INDICATORS	2005 - Amount (thousand reais)	2004 - Amount (thousand reais)
EDUCATION	688	498
Culture	21.221	7.339
Health and sanitation	0	240
Sports	4.897	7.096
Fight against hunger and food security	0	0
Others	4.141	139
Total contributions to society	30.947	15.312
Taxes (excluding social charges)	0	0
Total - External Social Indicators	30.947	15.312

Mangueira do Amanhã [Mangueira of Tomorrow]

Claro supports that youth samba school, founded by the singer Alcione. Mangueira do Amanhã has the same blocks and characteristics of the Estação Primeirade Mangueira (State of Rio de Janeiro), but is formed by children and adolescents between 6 and 16 years old. The objective is to teach to those "mangueirenses" youngsters how to dream and to build a better world through samba traditions. To be part of the young samba school, the children need to be studying. That strategy helps to keep the interest for the school, contributing for the future of the young members.

Mangueira, teu cenário é uma beleza [Mangueira, your scenery is beautiful]

Claro supports that project, which offers professionalizing courses of Cultural Tourism Guide, preparing the young people of the community for the assistance of Brazilian and foreign tourists who visit Mangueira. The guides trained by the project tell the visitants the history of the samba school, its characters and its victories.

Pedrinho do Cavaco

Since 2003, Claro invests on the musical formation of Pedro do Vale Bernardo, also known as Pedrinho do Cavaco. Currently at age 14, Pedrinho has been building a path of great success in the musical world having recorded – in 2005 – his first CD, which has the special participation of Milton Nascimento and Alcione.



Bola Pra Frente Institute

Claro, since 2001, is the main sponsor of that social initiative of the four-time World Cup soccer champions Jorginho and Bebeto. Located in Guadalupe, low income community of the North Region of Rio de Janeiro, the Bola Pra Frente uses the fascination for the sport and the image of renowned athletes to attract children and young adults and offers conditions for a better future, rescuing their values and widening their opportunities through education, culture and professional habilitation.

The Institute assists 700 children and adolescents annually and offers – at no cost – various sport modalities (soccer, indoor soccer, karate and volleyball), pedagogic support, preparation for the job market, computer classes, lectures and cultural activities, besides assistantship by specialists in the areas of psychology and social service, among others.

To participate in the project, the child or adolescent must attend school regularly – which is duly checked through a pedagogic accompaniment in partnership with the school of the area. With that, the Bola Pra Frente ensures full-time education reducing the student's wandering around the streets for long periods of time.



Claro para todos (Claro for Everyone) in the Movies

It is a project idealized by Claro and implemented in partnership with Cinemark to take low income children and adolescents for the first time to the movies. The objective is to propagate culture as a leisure alternative, starting with the first experience to watch a long-length movie in a big screen. Whenever possible, the shows host a special guest, a celebrity that participates of the project as volunteer, increasing even more the happiness of the invited children and adolescents. In 2005, the young actors Bruna Marquezine, Gabrielzinho do Irajá and Sérgio Malheiros and the four-time World Cup soccer champions Bebeto and Jorginho participated in the Claro for Everyone in the Movies.

Movies in the Rural Area

Claro sponsors that project, which takes national cinema production to low Human Development Index (IDH) municipalities in the interior part of the State of Rio de Janeiro and that do not possess movie theaters.

The projections happen in the beginning of the evening, outside and always inside some private property. The entire structure is set up over the project's vehicle, adapted to turn itself in a "walking" movie theater, with 150 inch screen and approximately 700w of power. The vehicle also supplies the electric energy needed to power the equipment.

The movies shown deal with social inequality issues and/or issues of environmental preservation in Brazil. The objective is to promote the thought/reflection about the common understanding of the easier life or of the "lucky opportunity" in the Brazilian capitals. The experience is being recorded in images for the production of a documentary and of a photographic display regarding the contact of the audients with the movies.

All throughout 2005, Movies in the Rural Area traveled the municipalities of Silva Jardim and São José do Vale do Rio Preto, presenting 24 projections for approximately one thousand spectators. The localities shown of Silva Jardim were Gaviões, Bananeiras, Mato Alto, Vargem Grande, Juturnaíba, Cesário Alvin and Cambucaes. In São José do Vale do Rio Preto, the localities were Posse and the central region. In total, 1,500 km were traveled and 72 hours of movie were shown.



Fome Zero

Through its fidelity program, ClaroClube, Claro offers exclusive benefits to its clients. Using the cell phone, the client gathers points that may be exchanged for prizes, discounts and exclusive advantages in many partner establishments. Clients also may exchange their points for donations for the Federal Government's Fome Zero program.

Those donations are directed for the construction of cisterns in the Brazilian semiarid region, destined to the low income rural population that suffers with the effects of prolonged draughts.

In March, Claro and Motorola sponsored the first Brazilian tour of Lenny Kravitz, one of the big rock names today. Lenny Kravitz played in Porto Alegre, São Paulo and Brasília and performed for free in Copacabana Beach, Rio de Janeiro. At the end of the tour, the musician donated a guitar to the Fome Zero program. The instrument was auctioned for 322 thousand reais, which also were invested on the construction of cisterns in the semi-arid regions.

Altruist Soccer

On September 2005, more than 350 Claro employees in Rio de Janeiro participated in the 4th edition of the Altruist Soccer, played in the fields of the Bola Pra Frente Institute. Besides the soccer championship, involving more than 20 teams, the players participated in altruistic athletic contests that collected hundreds of powder milk cans for the children and adolescents' snack who participated in the project.

On October 2005, it was the turn of Claro employees in Campinas. They put together a soccer team to play Centro Cultural Louis Braille team, which assists blind people through sport activities and professional habilitation activities. The second half of the game was played by Claro players blindfolded. The experience was unforgettable for both teams.



Volunteer Nucleus

Officially launched in 2004, Claro's Volunteer Nucleus works with the objective to enable and incentive the donation of time and talent of Company employees and interns – at no losses for its professional activities. To comply with that objective, Claro's Volunteer Nucleus promotes periodic donation collection campaigns and carries out, monthly, an effort in the community during half of a working day. Claro ended the year of 2005 with more than 750 active volunteers all over Brazil.

Donation Collection

The donations are given by the employees, interns and commercial partners of Claro's offices and stores all over Brazil. Everything that is collected is donated to institutions chosen by the employees and interns themselves.

The volunteers are responsible for organizing the campaign, motivate the participation of all, count and deliver the donations. In 2005, Claro carried out six national campaigns, besides various specific actions in its regional offices. In total, 80 institutions benefited from the actions in more than 25 cities. With those campaigns the following was collected:

	15.018,69	Kg
Food	345,50	Lt
	1.104	Hard candy and gum
Clothing and blankets	8.686	Items
School/Computer material	45.021	Items
Domestic articles and personal hygiene articles	7.254	Items
Books	423	Items
Toys	2.242	Items

For its warm clothing collection, the West-Central regional office received the bronze medal, in the category of Community Products and Services, of the Columnist [Colunista] award.

Volunteer Actions in the Community

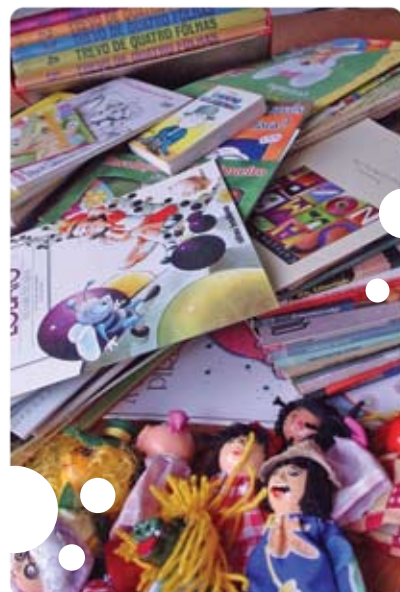
In 2005, Claro volunteers carried out various actions in the community, such as:

January:

- Gathering (State of Rio de Janeiro): volunteer visited the senior ladies of Asilo Mansão da Esperança, in the city of Duque de Caxias.

February:

- Gathering (State of Rio Grande do Norte): volunteers visited the children of Lar Tia Lena.
- Beach Cleaning (State of Rio de Janeiro): action to clean a part of the Ipanema beach and act of awareness of the beach-goers as regards the need to preserve the beach clean.
- Everyone in School (States of São Paulo, Pernambuco and Rio Grande do Sul): gathering and distribution of school material for ABBA students (Campinas), Escola Municipal Jandira Botelho students (Recife) and students of the schools of Santa Teresa hill (Rio Grande do Sul).





March:

- Fight against Sexual Violence (State of Bahia): volunteers organized the donation of t-shirts and graphic material to a carnival block that fights against child and adolescent sexual violence.
- Fight against Drug Use (State of Rio Grande do Sul): making and distribution, to kids between 7 and 10, students of the public school system, of 500 booklets with children stories about the risk of using drugs.
- Gathering (State of Rio Grande do Norte): visit of the volunteers to the nursing home Lanse.
- Gardening (State of Rio de Janeiro): volunteer work in the reconstruction of the gardens of the HC3 unit of the National Cancer Institute (INCA).
- Lenny Kravitz (Federal District): volunteers took 40 music students to watch – free – the concert of one of rock's biggest names today. At the time, it was distributed CDs and t-shirts, and music instruments were drawn.
- Easter (State of Pernambuco): presentation of theatrical play about Easter symbols for students of the Municipal School of Jandira Botelho. Distribution of chocolates and of bunny ears made by the volunteers.

April:

- Easter (State of Rio Grande do Sul): Easter party with donation of chocolate boxes, chocolate eggs and shoes for the children of the Santa Teresa hill daycare.
- Visit to CCBB (State of Rio de Janeiro): volunteers took students from the Fight for Peace project of Viva Rio to visit the Banco do Brasil Culture Center.

May:

- Health Campaign (State of Rio Grande do Sul): in partnership with the volunteers of the Mãe de Deus Hospital, Claro volunteers went to the community to provide guiding information about health and support the realization of 204 children dental assistances, 22 gynecology assistances and 175 other assistances, amongst taking blood pressure, glucose and diabetes. During the effort, 204 kits including tooth brush and tooth paste were distributed.
- Gathering:
 - State of Pernambuco: Presentation of theatrical play at Abrigo Filho de Deus and visit to senior ladies at Casa dos Humildes.
 - State of Rio de Janeiro: integration activities with senior citizens of the neurogeriatric group of Lagoa Hospital, which supports patients with Alzheimer's disease and Parkinson disease, and their care givers.
 - State of São Paulo (Campinas): visit of the volunteers and food donations to Dias da Cruz Institution.

June:

- Gathering: visits to the following institutions – Toca de Assis (State of Ceará), Chico Xavier Assistance Post (State of Rondônia) and Cantinho da Criança (State of Tocantins). In Campinas (State of São Paulo), the volunteers donate personal hygiene materials for two institutions: Assistência Vincentina, where was celebrated the “Hygiene Day”, with hairdresser and manicure services for senior citizens, and Lar Campinense, where it was given a “Junina” party for the children.
- Bone marrow donation (State of Rio de Janeiro): event for registration of bone marrow donors realized by the Claro office. More than 300 employees were registered by HEMORIO in the National Bank of Bone Marrow Donors.
- Junina Party: organization of the party for the children of Rita de Cássia Daycare (Federal District) and of the Renascer Children Education Center (State of Goiás) and with the senior citizens of AMEM (State of Paraíba). In the State of Rio Grande do Sul, during a whole day, it was opened a space in Claro’s SAC (Customer Assistance Service) for Casa de Nazaré to sale its products – breads, different types of cake, friedcake with sweet filling, peanuts, hot chocolate, etc.
- School Painting (State of Rio de Janeiro): volunteers painted the walls of Nosso Mundo School, which provides assistance to children mentally ill.

July:

- Support to Children with Cancer (State of Bahia): volunteers donated personal hygiene articles to children assisted by the NACC – Support Nucleus to Children with Cancer.
- Gathering: visits to the Nursing Home of Idosos Vicentinos (State of Acre), to the following institutions: João de Barros Daycare (Federal District) and Constantino Lopes Rodrigues (State of Mato Grosso do Sul), to Lar da Criança (State of Mato Grosso), to Casa dos Humildes (State of Pernambuco) and to Chico Xavier Assistance Post (State of Rondônia).
- Julina Party: participation in the party for the children of Casa Leonardo Guerra (State of Rio de Janeiro) and organization of the party for the children of ARCA institution from the city of Campinas.
- Junior Achievement (State of Pernambuco): 15 entrepreneurship classes for adolescents of public schools.

**August:**

- Gathering: visit to the Pestalozzi Association (State of Ceará) and to Menino Jesus de Guarulhos Daycare (State of São Paulo).
- Father’s Day (Federal District): party at the Lar dos Velhinhos Maria de Madalena.
- Food Distribution:
 - State of Pernambuco: visit and food distribution to the children of Maria Lucinda Children Hospital.
 - State of Rio Grande do Sul: visit and distribution of powder milk to children of the Lar da Criança Daycare and Casa Aberta São Leopoldo Daycare.
- Junior Achievement (State of Rio de Janeiro): entrepreneurship classes to adolescents of the state school of the Botafogo district.

Septemer:

- Gathering (State of Bahia): visit to NACCI
- Support Nucleus to the Fight against Children Cancer.
- Library in School (State of Pernambuco): volunteers tell stories to students of Jandira Botelho Municipal School and make donation of books to the library.
- Blood Drive (State of São Paulo): volunteers organize campaigns of blood donation at Claro’s office. One hundred and twenty-eight employees made the donation for the Pró-Sangue entity.
- Special Theater (State of Rio de Janeiro): volunteers presented a theatrical play specially adapted for students of the Anne Sullivan Educational Center, which takes care of children with hearing problems.



October:

- Children's Day:
 - Parties at FUNCAE – Special Person Home Foundation (State of Alagoas), Tia Lena Daycare (State of Rio Grande do Norte) and Dias da Cruz Institution (Campinas).
 - State of Bahia: presentation, in the Amparo Social Orphanage, of the theatrical play SnowWhite and the Seven Dwarfs.
 - State of Ceará: donation of toys to Casa do Menino Jesus and to Lar Feliz.
 - West-Central: the volunteers concentrated efforts in the collection of toys and clothing for donation to health and daycare institutions. Besides stimulating the donations, the volunteer organized parties for the awarding of the items collected.
 - State of Paraíba: party and distribution of toys, clothing and personal hygiene materials at Pequeno Príncipe Daycare.
 - State of Pernambuco: donations to the toyroom of Maria Lucinda Hospital, besides the party and donation of toys to children of Futuro do Amanhã Daycare.
 - State of Piauí: donation of toys to Centro Espírita Irmão Adriano and to the São Marcos Hospital.
 - State of Rio Grande do Sul: volunteer took a group of 35 children – from 7 to six years old – to an afternoon of snacks and play time at McDonald's.
- Halloween Party (State of Rio Grande do Sul): costume party organized by Claro's volunteers, purposing to collect resources for the throwing of a Christmas Party for the children of Santa Teresa hill and also for the buying of food for Christmas Without Hunger. More than 360 employees participated in the party.
- Waste Recycling (State of São Paulo): volunteers promoted various activities that brought awareness to the Company's internal public as to the importance of recycling.



November:

- International Book Day (State of Rio de Janeiro): volunteers spent an afternoon telling stories to the students of the Casa de Lázaro. Donations were also given of many books for the institution's library.
- Cinema (State of Bahia): volunteers took 18 children of the Amparo Social Orphanage to watch the movie "Chicken Little" in the Multiplex movie theater of Salvador, with popcorn and soda.
- Milk Gives Life (State of Pernambuco): giving of powder milk and gathering with the children from Futuro do Amanhã Daycare.
- Rebuilding in the Boa Vontade Daycare (State of Mato Grosso): volunteer contributed by collecting resources to finish a construction to improve the space of the daycare and promoted a party in the institution.

December:

- Tree of Dreams (State of Rio Grande do Sul): volunteers set up a tree in the entrance of Claro's building, where the employees could pick up the Xmas wishes of children from Lar da Criança Daycare. The giving of the presents was done at Claro's main office building with everyone's participation.
- Gathering: visits to Asilo Lar Irmã Maria Luiza (State of Bahia) and Christmas Party in the Cantinho Feliz Association, Campinas (State of São Paulo).
- ConvHIVendo (State of Rio de Janeiro): X-mas Party for children with HIV positive supported by the ConvHIVendo project and their family members.
- Christmas Without Hunger (State of Pernambuco): assembly and distribution of basic food basket for families of Água Fria, previously registered by the volunteers in the Citizenship Action [Ação da Cidadania].

We know that the volunteer action published here represent only a small contribution considering the seriousness of the Brazilian social status. However, they are actions that make us very proud for it spreads the practice of altruism and voluntarism among our employees. The greater objective of that program is to disseminate the concept of social responsibility, showing that all may and must participate in social transformation through attitudes inside and outside the Company.

Work Relations

Claro complies with all labor and social security legislation requirements of Brazil, just as with all International Labor Organization – OIT agreements homologated by the Brazilian Government, including issues that relate to freedom to unionize, to the right of collective bargaining and to internal employee representation.

Follows below the internal social indicators and the Company's functional body:

	2005 - Amount (thousand reais)	2004 - Amount (thousand reais)
Gross Payroll (FPB)	295.958	359.108

INTERNAL SOCIAL INDICATORS	2005 - Amount (thousand reais)	2004 - Amount (thousand reais)
Food	28.428	16.493
Compulsory Social Charges	87.817	114.664
Social Security	3.281	3.088
Health	17.631	12.274
Workplace safety and health	221	483
Education	268	0
Culture	0	0
Professional habilitation and development	10.539	9.070
Daycares or daycare-allowance	1.185	786
Profit Sharing	44.520	38.176
Others	1.664	14.580
Total - Internal Social Indicators	195.553	209.615

FUNCTIONAL BODY INDICATORS	2005	2004
No. of employees at the end of the period*	10.666	11.400
No. of new hires during the period	2.006	2.228
No. of outsourced employees	2.839	4.893
No. of interns	284	244
No. of employees over the age of 45	274	293
No. of women who work in the company	4.103	3.423
% of management positions occupied by women	42%	41%
No. of black color employees who work in the company	1.052	667
% of management positions occupied by black color employees	4%	3%
No. of employees with handicap or special needs	41	30

* Encompasses employees, interns and outsourced

Health and Welfare

The health and welfare of its employees and interns are also constant concerns for Claro. In 2005, the following actions were carried out:

- Carnival (February):
 - Lectures about photoprotection and the importance of sun screen use in preventing skin cancer (State of Rio de Janeiro).
 - Massive divulging of texts and tips about STD – Sexually Transmitted Diseases, adequate food during the party days, cautions with excessive sun exposure, besides drinking and driving.
- International Women's Day (March): lectures about the feminine world, with reflections back since childhood until old age, giving value to physical, mental and social health aspects (State of Rio de Janeiro, State of São Paulo – Capital and Campinas – and State of Bahia).
- Prevention against respiratory diseases and allergies (April): guidance about prevention of allergies and clarifications about vaccine against the flu (State of Rio de Janeiro, Northeast Region, Campinas and State of Rio Grande do Sul)
- Voice Week (April): period of medical and phonoaudiologic evaluation, observation and orientation for all SAC (Customer Assistance Service) employees, purposing to prevent speech organs diseases (units with SAC – State of Rio de Janeiro, State of Goiás, Campinas and State of Rio Grande do Sul).
- World Day Without Tobacco (May): campaign against smoking (West-Central, Northeast and Campinas).
- Stress prevention (June): announcement of information and demonstrations about alternative therapies: relaxation techniques, meditation, yoga, heiki, shiatsu, RPG, music therapy, etc. (State of Rio de Janeiro and Northeast).
- Healthy eating tips (August): announcement of information about the importance of balance eating habits for a healthy life (National).
- Sleep quality (September): orientations about the incorrect and routine use of sleep inducer without medical guidance and relaxation and aroma-therapy classes (Campinas).
- Financial Planning (October): lecture with economist about financial planning, negotiation of debts and investments, with distribution of books to the event participants (State of Rio de Janeiro).

- Fight against Prostate Cancer (November): announcement of information about the prevention of prostate cancer via intranet (Northeast).

- World Day of Fight Against Aids (December): institutional campaign about Aids prevention, carried out through lectures, theatrical plays, distribution of information bulletins, testimonies of people living with Aids, distribution of red laces symbolizing compassion, knowledge games and informative coffee. Each regional office acted according to the local traits and particularities.

For its Health and Welfare Program aimed at the SAC assistants, Claro Campinas – in 2005 – was first place in the Top RH of ACARH – Brazilian Academy of Human Resources Professionals – in the Quality of Life category: Culture and Occupational Diseases Prevention Project.

Claro is still concern with its organizational environment. For that reason, in its Code of Ethics and Conduct, the Company requires that the relationship between its employees, regardless of job position or function, would be of mutual respect, sincerity and collegueship, in a way to keep the good organizational climate and to help the team spirit prevail. In this document, Claro also determines that the merit of each one must be recognized and that there would be equality of access to professional development opportunities, according to the characteristics, competencies and contributions of each employee, and establishing that sexual or moral harassments will not be tolerated.

As regards the agreements with its suppliers, Claro requires that the choosing process would be done based on technical, professional and ethical aspects, and that the established commercial relation would be based on sincerity, honesty, politeness and celerity and would follow the guidelines established by the Company Agreements Policy. Suppliers with dubious reputation, or that – with given proof – do not fulfill its legal obligations, must not be contracted, not tolerating the hiring of forced labor, mandatory labor or child labor.





Professional Qualification and Hiring of People with Handicaps

In 2005, Claro expanded its professional qualification program for people with handicaps, drawing a partnership with the Department of Labor and with the Labor Public Persecution Office. Aiming at reaching the hiring quota of those said professionals, established by Law 8.213, dated 1991, Claro has been investing on that program purposing to improve the professional qualification of the participants, increasing their chances to ingress the job market.

The program consists of free professionalizing courses, developed specifically for people with handicaps, with emphasis on sales techniques. The entire methodology is based on social inclusion, also working concepts such as diversity, equity, equality of rights and citizenship.

In 2005, Claro habilitated 194 professionals and received for that project the Funlar Rio Parceria Eficiente 2005 [Funlar Rio Efficient Partnership 2005] Award.

Professional Qualification and Hiring of Young Adults in Social Risk Situation

Investing on the entry of young adults in the job market is one of the great challenges of our time and an efficient channel of social transformation. The challenge consists of promoting the professional formation/development of adolescents, without compromising their studies and contributing to their development as citizens.

Learn below a little more about the professionalizing programs for young adults in social risk situation, all developed based on ECA – Children and Adolescents Statute.

- Patrol Troopers

Claro hires young adults between 16 and 18 years old, in Rio de Janeiro and in Campinas, for internships in various areas of the company. The program encompasses school accompaniment, support courses to academic formation, lectures, cultural events and guidance for entering the job market. In 2005, 81 young adults were habilitated for professional and social life. For this project, Claro Campinas received first place in the Great Companies category in the TOP RH 2005 classification.

- Young Apprentice

Derived from the Apprentice Law (Law 10.097/00), in this program, the young person from 14 to 24 years old, enrolled – required – in the Fundamental or Secondary Level Education System, has the opportunity to receive technical-professional formation, conciliating the social challenge of studying and professional qualification. The theoretical formation of the young adults is done by the Sistema S de Ensino institution. Depending upon the course and the State in which the adolescent participates in the program, the formation also includes theory, alternating it with practice in the Company. In 2005, 73 young adults participated in the program.

- Young Assistant

With this program, Claro offers to young adults who participate in the Patrol Troopers and Young Apprentice programs the first job opportunity in the Company itself. After going through a selective process, they are hired as Young Assistants in the SAC (Customer Assistance Service) or in the company's own stores, beginning their professional career inside Claro.

- Talent Bank

Claro seeks, whenever possible, to provide professional opportunities inside the Company to the young adults who concluded in a satisfactory manner its professionalizing programs. However, many times, the number of young adults graduated in the programs surpasses the total number of available jobs in the Company. For that reason, it was created a database with the resumes of those young adults, which are sent to job positions on Claro's partner companies.





Environment

Claro, in its Code of Ethics and Conduct, makes formal its concern with the preservation of the environment and establishes the correct dealing with environmental issues as a constant in its corporate philosophy. The Company seeks to comply with the environmental legislation referent to its sector and works to promote the rational use of natural resources and to reduce the impact of its activities upon the environment. Some of the initiatives in that sense are:

Access Network/Sharing

Through agreements with other operator companies, Claro aims at complying with Anatel's Resolution 274/2001, which regulates the sharing of infrastructure. Aiming at diminishing the visual pollution, the Company seeks to maximize the sharing of localization points for installation of new ERBs – Radio Base Stations, reducing the quantity of antennas installed in close proximities. With the same objective, Claro – whenever possible – develops creative suggestions to integrate the antenna to the environment, with special paintings and/or choosing smaller models.

Electromagnetic Irradiation

Claro complies with the rules established by Anatel, in Resolution 303, generating specialized radiometric reports for its stations and making practical measurements to ensure the compliance with the maximum limits of electromagnetic exposure.

Environmental Partnerships

Claro has been seeking to regularize the status of its ERBs that, due to changes in the Brazilian legislation, are now located in environmental preservation areas. For the installation of new stations, new partnerships are being established for the obtaining of the due environmental licenses.

Examples of those partnerships were the projects carried out by Claro in the Camboriú Ocean Resort (State of Santa Catarina) and in Curitiba (State of Paraná), in partnership with the respective Environmental Offices. In Camboriú, Claro collaborated with the elaboration, making and sending of educative booklets that supported an Environmental Education Campaign and a SolidWaste Selective Collection Campaign along side schools, daycares and hospitals of the region. In Curitiba, purposing to keep the green areas characteristic of the city and to make feasible the construction of ERBs in areas where trees would have to be removed, the Company set an agreement with the Environmental Office for the plantation of 10 tree seedlings for each removed tree (total of six stations). The tree species and planted places were indicated by the Environmental Office.

Sound Pollution

Claro installs noise mufflers in its ERBs that possess air conditioners and stay close to residences.

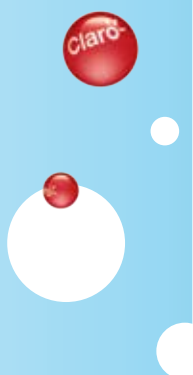


Claro Recycling Program

The selective collection of waste is already a practice well “practiced” in the Campinas, Recife, Rio de Janeiro, Rio Grande do Sul and São Paulo offices. In the latter, all the Company printers are already supplied with recycled paper.

Claro recycling program is based on 3Rs of conscious consumption – Reduce, Reuse and Recycle – and its main objective is to disseminate amongst the employees and interns a greater awareness about wasting and recycling.

The Company’s recyclable wastes, which in 2005 summed more than 92 tons, are commercialized, and the generated income is donated to social projects:

- Campinas: the chosen project was Esperança e Vida [Hope and Life], a NGO that offers – for free – support in the medical, psychological and professional areas for HIV positive adults of the community where Claro operates.
 - Recife: support to GAC – Help Group to Needy Children with Cancer and to Maria Lucinda Hospital. The GAC provides assistance to Pediatric Oncology Center of the Oswaldo Cruz University Hospital.
 - Rio Grande do Sul: the income generated is invested on the communities through actions of the Volunteer Nucleus.
 - Rio de Janeiro: the chosen project was Tecendo Redes [Weaving Hammocks], promoted by the NGO ConvHIVendo, which operates in the Gafrée e Guinle Hospital. The project offers free handcraft courses, generating a healthy occupation, besides a work and income option for HIV positive and their family members.
 - São Paulo: the income from recycling is donated to help children with cancer of Casa Maria Helena.
- 

Ethics

Claro's Code of Ethics and Conduct

Claro, just like any other company, is comprised essentially by its human talents. For that reason, for Claro, it is the conduct standard of its employees that will determine its positioning as an ethical or unethical company. Hence, the great importance given to the Company's Code of Ethics and Conduct. In this code it is established the main procedures that must be adopted by all the employees to zeal over the maintenance of the ethic in interpersonal relations, with society, with the environment and in business.

Some determinations of that Code have already been highlighted throughout this report. However, follows bellow some relevant aspects that are directly related to the issue of ethics in conducting business:

Transparency in the Accounting Books

The records of the Company's business must be prepared in a exact and trustworthy manner, giving absolute priority to the quality of its information. The following measures must be taken to assure that this objective is attained:

- It is mandatory to record all the Claro's costs and charges in accordance with accepted accounting principles.
- All the records and accounts must be sufficiently detailed and clear so to mirror precisely the transactions and arrangements of Claro's assets.
- All the resources and assets must be clearly declared, and no other resource or asset may be kept, by Claro or its personnel, for illegal purposes.
- No payment or favor may be received or made in the name of Claro, for any purpose that is not described in the support documents and in the records kept by the Company.

Practices Not Allowed

- Allow personal relations to influence in the business decisions with clients, suppliers, commercial partners and service providers.
- Develop private business or activities that compete with Claro's activities. The employee who has family members in this situation must formally communicate to his/her immediate manager, and the manager must send such formal note to the local HR.
- Contribute to party manifestations or political committees, candidates or people with public positions in the name of Claro.
- Use or copy any software not authorized by Claro.
- Employ relatives in conditions that denote partiality and possible conflict of interest, according the Admission Policy in effect.
- Make irregular payments of any nature, in the name of the Company, with the goal to obtain advantages or influence decisions.

Relations with the Public Sector

- Must be respected the most elevated honesty and integrity standards in all contacts with administrators and parties associated with the public sector.

Relations with the Competition

- Claro esteems loyal competition.
- Comments that might negatively affect the image of competitor must not be made under no circumstances.
- The remaining competitor companies must be treated with the same respect as Claro wish to be treated.
- It is prohibited to supply information belonging to Claro to competitors.

benefited institutions

INSTITUTION TYPE	FILIAL
ABBA	SP (Campinas)
Abrigo Cristo Redentor	RJ
Abrigo Doce Morada	RJ
Abrigo Filho de Deus	PE
Ação da Cidadania	Nacional
Ação Social Comunitária Paroquial	RJ
Aldeias Infantis SOS Brasil	SP
AMEM – Associação Metropolitana de Erradicação da Mendicância	PB
ARCA	SP (Campinas)
Asilo Lar Irmã Maria Luiza	BA
Asilo Legião do Bem	RJ
Asilo Mansão da Esperança	RJ
Asilo SAME	SE
Asilo Vovó Joana	PR
Associação Aliança dos Cegos	RJ
Associação Camelot	BA
Associação Cantinho Feliz	SP (Campinas)
Associação Casa dos Humildes	PE
Associação Comunitária Santa Bárbara	TO
Associação de Apoio a Crianças e Adolescentes com Câncer Anjo da Luz	SP
Associação de Apoio a Portadores de Aids Esperança no Senhor	MS
Associação de Educação do Homem de Amanhã	SP (Campinas)
Associação Pestalozzi	CE
Associação Projeto Roda Viva	RJ
Associação Projeto Roda Viva	ES
Casa Assistencial Maria Helena Paulina	SP
Casa da Esperança	PB
Casa de Lázaro	RJ
Casa de Nazaré	RS
Casa do Menino Jesus	CE

Casa Leonardo Guerra (casa do Lins)	RJ
Centro Comunitário Terra Encantada	RJ
Centro Cultural Louis Braille	SP (Campinas)
Centro de Educação Infantil Renascer	GO
Centro de Ensino Maria Edwiges Borges	MS
Centro Educacional Anne Sullivan	RJ
Centro Espírita Irmão Adriano	PI
Cipó – Comunicação Interativa	BA
Colégio Nosso Mundo	RJ
Comunidade do Largo Aparecida	SE
Creche Adoção Rubens Colaço	AL
Creche Boa Vontade	MT
Creche Celebrando a Vida	RJ
Creche Cristo Redentor	SC
Creche Enílson Carvalho	PI
Creche Filantrópica Boa Vontade	MT
Creche Futuro do Amanhã	PE
Creche Infantil Pequena Taizla	AC
Creche João de Barros	DF
Creche Lar da Criança	RS
Creche Pequeno Príncipe	PB
Creche Tia Lena	RN
ConvHIVendo	RJ
Escola de Música	DF
Escola Estadual Professor Olívio Pinto	PB
Escola Municipal Professora Jandira Botelho da Costa	PE
Esperança e Vida	SP (Campinas)
FALE – Fraternidade Assistencial Lucas Evangelista	DF
FUNCAE – Fundação Casa do Especial	AL
Fundação Cantinho da Criança	TO
Fundação de Assistência à Criança e ao Adolescente de São Leopoldo	RS
Fundação Pró-Sangue	SP
GAC – Grupo de Ajuda à Criança Carente com Câncer	PE
Governo do Estado (vítimas das chuvas)	PE
Governo do Estado do Rio Grande do Sul	RS
HEMORIO	RJ
Hospital da Lagoa	RJ
Hospital de Base Doutor Ari Pinheiro	RO
Hospital Gafrée e Guinle	RJ
Hospital Infantil Maria Lucinda – Parnamirim	PE
Hospital Mãe de Deus	RS
Hospital São Marcos	PI
Hospital Universitário de Brasília	DF
INCA – Instituto Nacional do Câncer	RJ
Instituição Dias da Cruz	SP (Campinas)
Instituição Filantrópica e Educacional Parábola	SP
Instituto Bola Pra Frente	RJ
Instituto de Assistência Social Jesus Menino	SP

Instituto São Vicente de Paulo	PB
Junior Achievement	PE
Junior Achievement	RJ
LANSE (Lar do Ancião Nossa Senhora da Esperança)	RN
Lar Assistência Vicentina Frederico Ozanan	SP (Campinas)
Lar Caminho da Luz	GO
Lar Campinense	SP (Campinas)
Lar da Criança	MT
Lar da Criança Arteira	PR
Lar da Criança Padre Frank Nilmar	RJ
Lar de Mirian	RS
Lar dos Idosos Vicentinos	AC
Lar dos Velhinhos Maria de Madalena	DF
Lar Evangélico Alice de Oliveira	SP (Campinas)
Lar Feliz	CE
Lar Metodista	RS
Lar Pérola de Cristo	BA
Lar Tia Lena	RN
Lar Vila Itagiba	RS
Luta Pela Paz (Viva Rio)	RJ
Moradores do Morro da Glória	RS
NACC – Núcleo de Apoio às Crianças com Câncer	BA
NACCI – Núcleo de Apoio ao Combate do Câncer Infantil	BA
ONG AMAR	RJ
ONG Nucescom	RJ
Orfanato Amparo Social	BA
Orfanato Educandário Santa Margarida	AC
Orfanato Lar Maria de Lourdes	RJ
Orfanato Santa Rita de Cássia	DF
Paróquia de São Cosme e São Damião	RJ
Pastoral da Criança	RS
Pastoral da Saúde da Paróquia Cristo Rei	MT
Posto de Assistência Chico Xavier	RO
Posto de Assistência São Francisco de Assis	GO
Recanto Betel	SP
Recanto da Esperança	RS
Ressurgir Escola de Família	RJ
SEDEAK – Sociedade de Estudos e Divulgação Espírita Allan Kardec	GO
Serviço de Assistência e Movimento de Educação - SAME	SE
Sociedade Beneficente Bezerra de Menezes	SP (Campinas)
Sociedade Educacional Constantino Lopes Rodrigues	MS
Toca de Assis	CE
UNB	DF

collaborating commercial partners

PARTNER	REGIONAL OFFICE
A A Catão Celular ME	RJ/ES
Agência Vitrine	CO
Aldeia	RJ/ES
Alfa Luz Transportes	CO
Alves e Gonçalves Informática e Papelaria Ltda.	RJ/ES
Apoio Teleserviços Ltda.	RJ/ES
Armazém da Comunicação	CO
AudioFidellity Produções	CO
Audiotech Produções	CO
AVG Expresso	CO
Best Sign Sinalização Prática	CO
Bit 2000 Telecom e Inf. Ltda.	RJ/ES
Bonn Alimentos	SP (capital)
C F Pereira Móveis ME	RJ/ES
Catão Catão Celular Ltda. ME	RJ/ES
Cel Claro	PE
Cell Point de Macaé Telefonia e Serviços Ltda.	RJ/ES
Cellpin Telefones Celulares Ltda. ME	RJ/ES
Celular Cabofriense Ltda. ME	RJ/ES
Celular News (Agente Autorizado)	CO
CEMPRE – Compromisso Empresarial para Reciclagem	SP (capital)
Cemusa	CO
Chaves Guimarães Equipamentos de Comunicação Ltda.	RJ/ES
Cinemark	CO
Cipó Comunicação Interativa	BA/SE
Companhia Suzano	SP (capital)
Connect de Macaé Celular	RJ/ES
Conservatoria Materiais de Construção Ltda.	RJ/ES
Consultcom Consultoria Telecom	RJ/ES
Contato Express – Faria e Vieira	RJ/ES
Coronário – Gráfica e Editora	CO
CORP RIO	RJ/ES
Creme Mel Sorvetes	CO
CTIS Informática	CO
Daniel Madsen Fotografia	CO
DBA Engenharia de Sistemas Ltda.	RJ/ES
Digite Serviços	RJ/ES

Dismar – Distribuidora de Bebidas São Miguel Arcanjo	CO
Distribuidora Nestlé	SP (capital)
Divino Representações	CO
E A B Telefones Celulares Ltda. ME	RJ/ES
Edgar César Fotografia	CO
Eleto Som de Volta Redonda Ltda. ME	RJ/ES
Erica de Castro Figueiredo	RJ/ES
Estela	SP (capital)
Expor Riostrense Celular Ltda.	RJ/ES
Expresso de Macaé Cellular Ltda.	RJ/ES
Fundação Municipal Lar Escola Francisco de Paula – FUNLAR	RJ/ES
Fundação Pró-Sangue	SP (capital)
G P Pinheiro Celular Ltda. ME	RJ/ES
G Tavares Catão Celular Ltda. ME	RJ/ES
Galwer Consult Corretora Seg.	RJ/ES
Grandelar	PE
Grupo Comunidade de Comunicação – Jornal da Comunidade e Jornal O Coletivo	CO
Grupo Pereira de Souza e seus representados	CO
Helver Artigos Domésticos Ltda.	RJ/ES
Herald / Ag. Autorizado Claro Empresa	BA/SE
Hospital Mãe de Deus	RS
HUSBY	RJ/ES
Iridium Celular e Informática Ltda. ME	RJ/ES
Isa Eventos	SP (interior)
Itatiaia Santos Anjos Comércio e Serviços Ltda.	RJ/ES
J A Moreira da Rocha	RJ/ES
J F G de Almeida	RJ/ES
J Gomes Eletro Eletrônicos ME	RJ/ES
Jornal de Brasília	CO
Jornal Fatorama	CO
Kazuo Okubo Fotografia	CO
Keystone Fotos	CO
L M De Paty Móveis e Eletrodomésticos Ltda.	RJ/ES
LABORH / Consultoria R&S e Terceirização	BA/SE
Link Distribuidora	CO
Livraria do Globo	RS
Logical System	RJ/ES
Look Painéis	CO
LOTUS	RJ/ES
Luana Tavares Celulares Ltda.	RJ/ES
Luar Comércio 111 de Artigos Óticos Ltda. ME	RJ/ES
Mabel Indústria de Bolachas	CO
Macrotec Eletrônica Ltda.	RJ/ES
Marcelu's C Frio-celular E Cia.	RJ/ES
Memphis Telecomunicações	RJ/ES
Mercadinho Confiança	PE
Meta Produtos de Limpeza	CO
Montara Ltda.	RJ/ES
Moretz Sohn Representações	RJ/ES



Mr. Brain Comunicação	CO
N. Serra	RJ/ES
Neto (Fundação Alphaville)	SP (capital)
Network	RJ/ES
NEXCOM / AG Autorizado Varejo e Claro Empresa	BA/SE
NS Martins – Claro Empresas	CO
OCITEL	RJ/ES
Oliveira e Tinoco Comércio e Representações Ltda. ME	RJ/ES
Packvalle Informática Ltda.	RJ/ES
Papel Surpresa	SP (capital)
Papelaria Nobel	SP (capital)
Perfil Face Odontologia	CO
Petrocelli e Ebert Eletrônicos Ltda.	RJ/ES
Picco Camiseteria	CO
Plens Livraria e Papelaria	RJ/ES
Politraço – Gráfica	CO
Ponto Certo	RJ/ES
Positiva – Gráfica e Editora	CO
Publicitá Eventos	CO
R E D Azevedo Celular Ltda.	RJ/ES
Rádio Transamérica	CO
Reciclan	CO
Rede Ip	RJ/ES
Revista Boca a Boca	CO
Revista Foco	CO
Revista Roteiro	CO
Rodrigo Mafra Ilustrações	CO
Romelsa/Grande Varejo	BA/SE
SBT Brasília	CO
Scouting Agência de Modelos	CO
Shimoda & Yago Photo Service Ltda.	RJ/ES
Superlimão Studio Design	SP (capital)
Technocell Com. e Repr. Ltda.	RJ/ES
Tok House Barra do Pirai Ltda.	RJ/ES
TOPCOM	RJ/ES
TPNET	RJ/ES
USP Recicla	SP (capital)
Viacell Comércio de Telefonia Ltda.	RJ/ES
Viacell De Barra Mansa Comércio de Telefonia Ltda.	RJ/ES
Viacell Vila Comércio de Telefonia Ltda.	RJ/ES
Viacell Vr Eletro Eletrônicos e Telefonia Ltda.	RJ/ES
Viacell Vr Eletro Eletrônicos e Telefonia Ltda.	RJ/ES
Viacell W J Com de Telefonia Ltda.	RJ/ES
Vinícius Goulart Fotografia	CO
Vision Rio Telecom e Informática	RJ/ES
Visuout	CO
Vitória Catão Equipamentos Eletrônicos Ltda.	RJ/ES



social balance statement – ibase model

CALCULATION BASE	2005 – Amount (Thousand reais)	2004 – Amount (Thousand reais)
Net income (RL)	6.530.761	5.250.000
Operational income (RO)	-1.623.947	19.300
Gross payroll (FBP)	295.958	359.108

INTERNAL SOCIAL INDICATORS	Amount R\$ Thousand	% Over FBP	% Over RL	Amount R\$ Thousand	% Over FBP	% Over RL
Food	28.428	9,61%	0,44%	16.493	4,59%	0,31%
Compulsory Social Charges	87.817	29,67%	1,34%	114.664	31,93%	2,18%
Social Security	3.281	1,11%	0,05%	3.088	0,86%	0,06%
Health	17.631	5,96%	0,27%	12.274	3,42%	0,23%
Workplace safety and health	221	0,07%	0,00%	483	0,13%	0,01%
Education	268	0,09%	0,00%	0	0,00%	0,00%
Culture	0	0,00%	0,00%	0	0,00%	0,00%
Professional habilitation and development	10.539	3,56%	0,16%	9.070	2,53%	0,17%
Daycares or daycare-allowance	1.185	0,40%	0,02%	786	0,22%	0,01%
Profit Sharing	44.520	15,04%	0,68%	38.176	10,63%	0,73%
Others	1.664	0,56%	0,03%	14.580	4,06%	0,28%
Total – Internal Social Indicators	195.553	66,07%	2,99%	209.615	58,37%	3,99%

EXTERNAL SOCIAL INDICATORS	Amount R\$ Thousand	% Over RO	% Over RL	Amount R\$ Thousand	% Over RO	% Over RL
Education	688	-0,04%	0,01%	498	2,58%	0,01%
Culture	21.221	-1,31%	0,32%	7.339	38,03%	0,14%
Health and sanitation	0	0,00%	0,00%	240	1,24%	0,00%
Sports	4.897	-0,30%	0,07%	7.096	36,77%	0,14%
Fight against hunger and food security	0	0,00%	0,00%	0	0,00%	0,00%
Others	4.141	-0,25%	0,06%	139	0,72%	0,00%
Total contributions to society	30.947	-1,91%	0,47%	15.312	79,34%	0,29%
Taxes (excluded social charges)	0	0,00%	0,00%	0	0,00%	0,00%
Total – External Social Indicators	30.947	-1,91%	0,47%	15.312	79,34%	0,29%

INDICADORES AMBIENTAIS	Amount R\$ Thousand	% Over RO	% Over RL	Amount R\$ Thousand	% Over RO	% Over RL
Investments related with production / operation of the company	0	0,00%	0,00%	0	0,00%	0,00%
Investments on programs and/or external projects	0	0,00%	0,00%	0	0,00%	0,00%
Total investments on the environment	0	0,00%	0,00%	0	0,00%	0,00%

As to the establishment of “annual goals” to reduce wastes, the consumption in general in production / operation and increase the effectiveness in the used of natural resources, the company:

Does not have goals
 Accomplishes 0 to 50%
 Accomplishes 51 to 75%
 Accomplishes 76 to 100%

Does not have goals
 Accomplishes 0 to 50%
 Accomplishes 51 to 75%
 Accomplishes 76 to 100%

FUNCTIONAL BODY INDICATORS	2005	2004
No. of employees at the end of the period*	10.666	11.400
No. of new hires during the period	2.006	2.228
No. of outsourced employees	2.839	4.893
No. of interns	284	244
No. of employees over the age of 45	274	293
No of women who work in the company	4.103	3.423
% of management positions occupied by women	41,74%	41,00%
No. of black color employees who work in the company	1.052	667
% of management positions occupied by black color employees	3,53%	3,00%
No. of employees with handicap or special needs	41	30

RELEVANT INFORMATION AS TO CORPORATE CITIZENSHIP PRACTICE	2005	2006 GOALS
Relation between the greatest and the lowest compensation in the company	65	Does not have
Total number of workplace related accidents	36	30
The social and environmental projects developed by the company were defined by:	<input type="radio"/> direction <input checked="" type="radio"/> direction and managements <input type="radio"/> all employees	<input type="radio"/> direction <input checked="" type="radio"/> direction and managements <input type="radio"/> all employees
The safety and wholesomeness in the workplace were defined by:	<input checked="" type="radio"/> direction and managements <input type="radio"/> all employees <input type="radio"/> all + Cipa	<input checked="" type="radio"/> direction and managements <input type="radio"/> all employees <input type="radio"/> all + Cipa
As to freedom to unionize, the right to collective bargaining and to internal employee representation, the company:	<input type="radio"/> does not get involved <input type="radio"/> follows the OIT rules <input checked="" type="radio"/> incentives and complies with OIT	<input type="radio"/> will not get involved <input type="radio"/> will follows the OIT rules <input checked="" type="radio"/> will incentive and comply with OIT
Social security contemplates:	<input type="radio"/> direction <input type="radio"/> direction and managements <input checked="" type="radio"/> all employees	<input type="radio"/> direction <input type="radio"/> direction and managements <input checked="" type="radio"/> all employees
Profit sharing contemplates:	<input type="radio"/> direction <input type="radio"/> direction and managements <input checked="" type="radio"/> all employees	<input type="radio"/> direction <input type="radio"/> direction and managements <input checked="" type="radio"/> all employees
In the selection of suppliers, the same ethical standards and social and environmental responsibility standards adopted by the company:	<input type="radio"/> are not considered <input checked="" type="radio"/> are suggested <input type="radio"/> are required	<input type="radio"/> will not be considered <input checked="" type="radio"/> will be suggested <input type="radio"/> will be required
As to employee participation in volunteer Owork programs, the company:	<input type="radio"/> does not get involved <input type="radio"/> supports <input checked="" type="radio"/> organizes and incentives	<input type="radio"/> will not get involved <input type="radio"/> will support <input checked="" type="radio"/> will organize and incentive
Total number of consumer complaints and criticisms	in the company: 3.492.326 at Procon: 18.512 Legal Court: 28.516	in the company: 1% ** at Procon: none Legal Court: none
% of complaints and criticisms assisted or solved	in the company: 100% at Procon: 84% Legal Court: 82% ***	in the company: 100% at Procon: none Legal Court: none
Total value added to be distributed (in thousand R\$)	In 2005: N/A	In 2004: N/A
Added Value Distribution (DVA)	___% government ___% collaborators ___% shareholders ___% third parties ___% retained	___% government ___% collaborators ___% shareholders ___% third parties ___% retained

N/A: number not accounted in the period

* Encompasses employees, interns and outsourced.
 ** 1% of complaints upon the client base, according to Anatel's regulation.
 *** 12% closed out of 70% still in progress.





General Coordination

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[HR Social Responsibility – Claro]

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