

TELE CENTRO OESTE CELULAR PARTICIPACOES
Form 6-K
August 15, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO
RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE
ACT OF 1934

FOR THE MONTH OF AUGUST 2002

(Commission File No. 001-14489)

TELE CENTRO OESTE CELULAR PARTICIPACOES S.A.
(Exact name of registrant as specified in its charter)

TELE CENTRO OESTE CELLULAR HOLDING COMPANY
(Translation of registrant's name in English)

SCS-QUADRA 2, BLOCO C, EDIFICIO ANEXO-TELEBRASILIA CELULAR
-7° ANDAR, BRASILIA, D.F.
FEDERATIVE REPUBLIC OF BRAZIL
(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file
annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F

(Indicate by check mark whether the registrant by
furnishing the information contained in this form
is also thereby furnishing the information to the
Commission pursuant to Rule 12g3-2(b) under the
Securities Exchange Act of 1934.)

Yes No

PRESENTATION OF RESULTS
SECOND QUARTER 2002

RESULTS IN THE
2ND QUARTER

Brasilia, August 14, 2002 -Tele Centro Oeste Celular Participacoes S.A.
Celular" or the "Company")-(NYSE: TRO; IBOVESPA: TCOC3/TCOC4) today disclos
results relative to the second quarter of 2002. The Company obtained
CONSOLIDATED PROFIT OF R\$ 89.3 MILLION IN THE PERIOD, A MARK WHICH IS 73.6%
THE SECOND QUARTER OF 2001. Earnings before interest, taxes, depreciatio

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amortization (EBITDA) WERE R\$ 154.6 MILLION AND THE EBITDA MARGIN WAS 40.3%.

HIGHLIGHTS

TCO Celular has been one of the most efficient wireless telephone carriers in Brazil, owing to strategic decisions applied in conjunction with our infrastructure, supplier deals, strict cost control and increased quality of client relationship. Part of this strategy started with the acquisition of NBT, a Band B company operating in the Brazilian states of Amazonas, Maranhao, Para and Roraima. ALTHOUGH NBT HAS BEEN IN OPERATION FOR MORE THAN THREE YEARS, it has surpassed all expectations and presented results significantly above the average results obtained by other Band B companies. NOT ONLY IS THE FIRST AND ONLY BAND B CARRIER TO HAVE GENERATED A NET PROFIT IN THIS FIRST QUARTER OF 2002 - R\$ 4.5 MILLION - BUT IT ALSO OVERCAME THE MILESTONE OF 500,000 SUBSCRIBERS.

AWARDS

The results accomplished by TCO Celular have yielded it important awards in the Telecommunications sector in Brazil. Early in 2002, TCO Celular was awarded the following prizes:

- |X| EXAME magazine - "Melhores e Maiores" - THE BEST COMPANY IN THE TELECOMMUNICATIONS AREA, TOGETHER WITH ITS SUBSIDIARY COMPANY TCO CELULAR GOIAS;
- |X| TOP SOCIAL - "Natal Sem Fome" ("Hunger-free Christmas") and "Your School in 2000 an Hour" ("Sua Escola a 2000 Por Hora");
- |X| INFO EXAME - 1st prize in B2B in the Telecom sector;
- |X| FORBES BRAZIL - TCO Celular - 1st prize in Telecommunications and 6th Best 200 Brazilian companies in 2001 on the Platinum List;
- |X| ANUARIO TELECOM - "TELECOMMUNICATIONS COMPANY OF THE YEAR" and concomitant the "COMPANY HIGHLIGHT OF THE YEAR" in the Wireless Cellular Service Carriers segment.

OPERATING PERFORMANCE

The Region

TCO CELULAR OPERATES IN 11 BRAZILIAN STATES AND IN THE FEDERAL DISTRICT: AMAZONAS, AMAPA, GOIAS, MARANHAO, MATO GROSSO, MATO GROSSO DO SUL, RONDONIA, RORAIMA AND TOCANTINS. RECENT STATISTICS DISCLOSED BY THE BRAZILIAN INSTITUTE OF GEOGRAPHY and Statistics" (Instituto Brasileiro de Geografia e Estatística - IBGE) show that Brazilian companies continue to migrate from large metropolitan areas comprised between Rio and Sao Paulo, in the southeast region of the country. The trend is towards reducing the concentration of companies in one area of the country and transferring resources to the regions where TCO Celular operates - the Central-West and the North. Contrary to the trend in the Southeast and the Northeast, THE COMPANIES IN THE CENTRAL-WESTERN AND NORTHERN REGIONS OF BRAZIL OBTAINED PRODUCTION GROWTH RATES HIGHER OR EQUAL TO THE NATIONAL AVERAGE BETWEEN 1985 AND 2000. Whereas the Central-West concentration of the highest industrial growth rates in the entire country, the North has been experiencing a higher concentration of industrial activity in the states of Amazonas and Para - respectively 1.3% and 0.6%.

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Client Base TCO CELULAR REACHED THE MARK OF 2,717,173 CLIENTS IN THE FIRST QUARTER OF 2002. OF THIS TOTAL, 27.5% WERE POST-PAID CLIENTS, WHICH WAS DUE MAINLY TO MOTHER'S DAY AND VALENTINES' DAY CAMPAIGNS. TCO Celular's client base has maintained continuous growth in both its areas of operation. IN AREA 7, THE CLIENT-BASE GROWTH RATE IN THE SECOND QUARTER OF 2002, RELATIVE TO THE FIRST QUARTER OF 2002, WAS 6.5%, WHEREAS AREA 8 PRESENTED A SPECTACULAR 10.9% GROWTH IN ITS CLIENT-BASE WHEN COMPARED TO THE SAME PERIOD IN THE PREVIOUS YEAR, CLIENT-BASE GROWTH IN AREA 7 AND AREA 8 WAS 28.3% AND 46.5%, RESPECTIVELY.

HIGHLIGHT According to information provided by ANATEL (The Brazilian Telecommunications Regulating Agency), the number of cell-phone users grew from 29.5 million to 31.5 million, in the second quarter of 2002. WITHIN THIS AMOUNT, TCO CELULAR INCREASED ITS TOTAL PARTICIPATION FROM 8.5% TO 8.8%, IN THE PERIOD. Comparing TCO Celular's consolidated increase to the Brazilian net increase clearly shows that TCO CELULAR REPRESENTED 18.2% OF THE NET INCREASE IN THE COUNTRY'S CELL-PHONE USER BASE IN THE PERIOD. THIS CONFIRMS THE COMPANY'S COMPARATIVE INCREASE IN CELL-PHONE PENETRATION IN BRAZIL.

CONSOLIDATED TCO CELULAR

	2Q02	1Q02	VAR.	2Q01	VAR.
CLIENTS	2,717,173	2,533,272	7.3%	2,070,030	31.3%
Post-paid	748,260	700,417	6.8%	665,678	12.4%
Pre-paid	1,952,201	1,816,127	7.5%	1,387,631	40.7%
Rural	16,712	16,728	-0.1%	16,721	-0.1%
ARPU	41.32	39.74	4.0%	43.63	-5.3%
Post-paid	89.10	82.83	7.6%	84.89	5.0%
Pre-paid	22.98	22.80	0.8%	23.67	-2.9%
CHURN (%)	4.60	4.23	0.4%	3.93	0.7%

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Market Share In the second quarter of 2002, TCO Celular maintained its leading market position in AREA 7, WITH AN ESTIMATED 75.8% MARKET SHARE, WELL ABOVE THE NATIONAL AVERAGE, WHICH WAS 66.9%. IN AREA 8, TCO Celular showed intense growth period, and raised its estimated market share to 35.5%, ALSO ABOVE THE AVERAGE, WHICH WAS 33.1%.

Consolidated TCO Celular - Operating Data

	2Q02	1Q02	VARIATION	2Q01	VAR
ESTIMATED POPULATION (MILLIONS)	30.7	30.7	0%	29.2	
Estimated Penetration - TCO (%)	8.9	8.3	0.6%	7.1	
MUNICIPALITIES SERVED	386	371	4.0%	320	
Workforce	2,799	2,890	-3.1%	3,043	
Permanent employees	1,484	1,470	1.0%	1,468	
Interns and outsourced parties	1,315	1,420	-7.4%	1,575	-

Network Structure At the end of the second quarter of 2002, Area 7 presented a high digitalization rate of 96.8%. NBT has operated with 100% digital technology since it was first established. TCO Celular currently uses TDMA technology for its wireless telephoning services.

Consolidated TCO Celular - Network Structure

	2Q02	2Q01
Radio Base Stations (RBS's)	812	739
Commuting Switches (CS's)	25	22

Network Management Center TCO CELULAR MANAGES ITS NETWORK BY MEANS OF ITS NETWORK MANAGEMENT CENTER (CENTRO DE GERENCIA DE REDES - CGR). The company chose the Netrac system, manufactured by an Israeli company and used worldwide by major telecommunications carriers. The Network Management Center operates 24 hours a day, 7 days a week, and allows for the DETECTION OF NETWORK FAILURES TO BE FIXED REMOTELY. It identifies network degradation, preventing possible failure and therefore assuring the high quality and reliability levels registered for services rendered by means of the 25 Commuting Switches and over 812 Radio Base Stations, in addition to all the proper transmission routes.

Operating Autonomy TCO Celular, which originated from the former Telebras System, DOES NOT OPERATE ANY OF ITS COMMUTING SWITCHES HARBORED INSIDE THE FACILITIES OF FIXED TELEPHONE SERVICE CARRIERS IN BRAZIL.

Call Center TCO Celular places its stakes on client service excellency. TCO's Call Center

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conceived to centralize customer services offered to all areas covered in to reduce cost and standardize information, while optimizing phone-client-service operations. It also operates as a business unit, providing third-party services. The Call Center offers BackOffice and telemarketing services to our partners, distributors, and service providers. TCO CELULAR IS THE FIRST TELEPHONE COMPANY IN THE COUNTRY TO BE GRANTED THE ISO 9001 CERTIFICATION FOR CUSTOMER SERVICE DEVELOPMENT AND MANAGEMENT, according to a survey conducted with the Brazilian Association for Technical Standardization (ABNT).

Sales

In its effort to meet the needs of clients and of the general public by increasing promptness, agility and competence, TCO CELULAR HAS OPENED 54 STORES SINCE ITS PRIVATIZATION. This enables the Company to sell its products nationwide offering user services in the entire region. TCO Celular's stores in Brasilia recently been granted the ISO 9001:2000 CERTIFICATION FOR SALES, SERVICES AND PERSON-TO-PERSON CUSTOMER SERVICE. TCO Celular's sales structure includes newsstands, supermarkets, and authorized dealer chains, as well as company-owned stores. At the end of June 2002, TCO CELULAR HAD 38 COMPANY-OWNED STORES, 16 accredited handset retailers, and 15.9 thousand direct and indirect phone card retailers IN AREA 7, while IN AREA 8 TCO CELULAR HAD 16 COMPANY-OWNED STORES AND 347 thousand direct and indirect phone card retailers. The workforce was reduced by 1.4% in all Area 7 carriers, a slight drop from

Human Resources

THE WORKFORCE WAS REDUCED BY 1.4% IN ALL AREA 7 CARRIERS, A SLIGHT DROP FROM 2,343 IN JUNE 2001 TO 2,343 IN JUNE 2002. Of this total, 52% are permanent employees and the remaining are interns and outsourced parties. The "Company employees per 1,000 accesses" indicator was reduced to 0.55 in June 2002. THE WORKFORCE IN THE AREA 8 CARRIER, WHICH REGISTERED 667 PERSONS IN JUNE 2001, FELL TO 456 IN JUNE 2002. In this total, 58% are permanent employees and the remaining are interns and outsourced parties. The "Company employees per 1,000 accesses" indicator was reduced in NBT to 0.53 in June 2002.

AREA 7 -Operating Data

	2Q02	1Q02	VARIATION	2Q01	VARIATION
CLIENTS	2,216,507	2,081,882	6.5%	1,728,202	28.3%
Post-paid	624,894	589,366	6.0%	551,304	13.3%
Pre-paid	1,574,901	1,475,788	6.7%	1,160,177	35.7%
Rural	16,712	16,728	-0.1%	16,721	-0.1%
ARPU	42.32	39.86	6.2%	50.97	-17.0%
Churn (%)	4.45	4.01	0.44%	3.85	0.6%
ESTIMATED MARKET SHARE (%)	75.8	76.4	-0.6%	78	-2.2%
Estimated Population (Millions)	14.9	14.9	0.0%	14.3	4.2%
ESTIMATED PENETRATION - TCO (%)	14.8	13.9	0.9%	12.0	2.8%
Access Digitization (%)	96.8	96.1	0.7%	93.6	3.2%
MUNICIPALITIES SERVED	295	285	3.5%	259	13.9%
Workforce	2,343	2,414	-2.9%	2,76	-1.4%

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Permanent employees	1,218	1,203	1.2%	1.08	0.8
Interns and outsourced parties	1,125	1,211	-7.1%	1.68	-3.7
Radio Base Stations (RBS's)	663	653	1.5%	618	7.3
Commuting Switches (CS's)	14	14	0.0%	13	7.7

AREA 8 -Operating Data

	2Q02	1Q02	VARIATION	2Q01	VARIATION
CLIENTS	500,666	451,390	10.9%	341,828	46.5%
Post-paid	123,366	111,051	11.1%	114,374	7.9%
Pre-paid	377,300	340,339	10.9%	227,454	65.9%
ARPU	37.03	39.51	-6.3%	41.55	-10.9%
Churn (%)	5.27	5.20	0.07%	4.31	0.9%
ESTIMATED MARKET SHARE (%)	35.5	33.3	2.2%	29	6.5%
Estimated Population (Million)	15.8	15.8	0.0%	14.8	6.8%
ESTIMATED PENETRATION - TCO (%)	3.2	2.9	0.3%	2.3	0.9%
Access Digitization (%)	100	100	0.0%	100	0.0%
MUNICIPALITIES SERVED	91	86	5.8%	61	49.2%
Workforce	456	476	-4.2%	667	-31.6%
Permanent employees	266	267	-0.4%	260	2.3%
Interns and outsourced parties	190	209	-9.1%	407	-53.3%
Radio Base Stations (RBS's)	149	146	2.1%	121	23.1%
Commuting Switches (CS's)	11	11	0.0%	9	22.2%

FINANCIAL PERFORMANCE

Consolidated TCO Celular

	2Q02	1Q02	VARIATION	2QT01	VARIATION
Net Operating Income from services	323,182	294,539	9.7%	258,740	25.0%
Net Operating Income from merchandise	60,661	33,118	83.2%	45,654	33.0%
Cost of merchandise sold	79,765	42,629	87.1%	69,026	14.4%
EBITDA with merchandise	154,587	148,444	4.1%	107,720	43.0%
% EBITDA margin	40.3%	45.3%	-5.0%	35.4%	4.5%
EBITDA without merchandise	173,691	157,954	10.0%	131,092	32.0%
% EBITDA margin	53.7%	53.6%	0.1%	50.7%	3.0%

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Depreciation and amortization	37,972	37,522	1.2%	32,718
EBIT	116,615	110,922	5.1%	75,002
% EBIT margin	30.4%	33.9%	-3.5%	24.6%

Financial Income	55,551	44,521	24.8%	52,215
Financial Expenses	99,429	37,312	166.5%	68,380

Investments	36,769	41,088	-10.5%	47,327

NET PROFIT IN THE PERIOD	89,334	71,888	24.3%	51,456

Net Profit TCO CELULAR'S NET PROFIT WENT UP BY 73.6% COMPARED TO THE SAME PERIOD OF YEAR, AND ITS CLIENT BASE ALSO INCREASED TO 31.3%.

Operating Income TCO CELULAR'S NET OPERATING INCOME FROM SERVICES REACHED R\$ 323.2 MILLION second quarter of 2002, which represents an increase of 9.7% compared first quarter of 2002 and 24.9% against the second quarter of 2001.

Average Net Revenue per SUBSCRIBER THE CONSOLIDATED ARPU WAS R\$ 41.32 IN THE QUARTER, of which R\$ 89.10 w Post-paid and R\$ 22.98 to Pre-paid. AREA 8 ARPU WAS R\$ 37.03, WHILE AREA WAS R\$ 42.32.

Cost of Acquisition The net income from the sales of merchandise was R\$ 60.6 million in the quarter of 2002, and the cost of merchandise sold was R\$ 79.8 million. The cost of acquisition per client (SAC) in the quarter was R\$133.

EBITDA EBITDA REACHED R\$ 154.6 MILLION IN THE QUARTER, WHICH DEMONSTRATES THAT THE COMPANY WAS MORE EFFICIENT IN GENERATING CASH USING ITS OPERATING ASSETS. Celular discloses its EBITDA margin in consonance with the market, which in the operations with sales of merchandise. THE EBITDA MARGIN OBTAINED WITH THE SALES OF MERCHANDISE WAS 40.3% IN THE PERIOD. For a possible comparison, the EBITDA MARGIN WAS R\$ 173.7 when excluding operations with the sales of merchandise, WHICH OBTAINED THE EBITDA MARGIN TO 53.7%.

Depreciation Accrued Expenses with Depreciation and Amortization totaled R\$ 75.5 million, which R\$ 38.0 million in the second quarter. Depreciation is calculated using the linear method, considering the goods' useful life.

PDD / Losses Accrued Provision for Doubtful Debtors / Losses was R\$ 21.1 million. In the second quarter, PDD / Losses reached R\$ 10.7 million, representing 3.0% of Operating Income.

Financial Expenses TCO Celular Financial Expenses in the second quarter of 2002 were impacted by the distribution of Interest on Own Capital in the amount of R\$ 40 million, related to the period comprised between January 2002 and June 2002.

Investments In 2002 and UP TO THE END OF THE SECOND QUARTER, R\$ 77.8 MILLION HAD BEEN INVESTED IN PROPERTY, PLANT, AND EQUIPMENT, mainly in projects for expansion of the wireless cellular telephoning network, for improvement of telecommunication services and for the development of proprietary transmission routes. TCO Celular is totally compliant with its Investment Plan and has anticipated its obligations as to serving localities, therefore generating surplus cash resources.

Subsequent Events (a) As disclosed in a previous press release published by TCO Celular

a relevant fact published by Splice Telecomunicacoes e Eletronica ("Splice") on July 03, 2002, the Board of TCO Celular approved on July 02, 2002, the acquisition of up to R\$ 470 million in private debentures issued by Fixcel S.A., a company belonging to the Splice Group which holds capital stock shares of BID S.A. and which directly controls TCO Celular.

- (b) In addition, the Board of TCO Celular approved on August 13, 2002, the acquisition of up to R\$ 190 million in private debentures issued by Fixcel S.A..

TCO Celular used funds available for the acquisition of the debentures issued by Fixcel S.A. mentioned in items (a) and (b), above.

The debentures mature in 360 (three hundred and sixty) days as of their issuance to assure profitability levels in line with general market rates; they also carry a floating guarantee on the Fixcel S.A. assets and guarantee from Splice.

Perspectives for
2002

The wireless telecommunications market has been experiencing significant changes and TCO Celular has actively been analyzing these alterations. The second quarter of 2002 was marked by the entry of the first SMP carrier in Brazil, which in August 25, 2002 started operations in 16 Brazilian states. The prospect of increased competition made TCO Celular begin preparations as early as in 2001, the widening its range of products and services offered, and expanding its relationship programs. The administration of the Company believes that the telecommunications network will need a technological complement in order to ensure the continuation of its network expansion, as well as the development of expanded client services, and preparations for facing the demand for new cellular services such as data transmission at normal speed. This is why TCO Celular has been conducting surveys on GSM technologies in the city of Goiania, and on CDMA technologies in the city of Brasilia. The Company's decision as to the choice of technology to be adopted in the future will depend on a number of factors, among which the results of the market's experiments with the services, the result of tests and the technological solution adopted by the market.