

TELE CENTRO OESTE CELULAR PARTICIPACOES
Form 6-K
May 09, 2001

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 MAY 2001

(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
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(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
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TCOC3: R\$ 7.46/1,000 shares
TCOC4: R\$ 6.05/1,000 shares
TRO: US\$ 8.15/ADR (1 ADR = 3,000 shares)

INVESTOR RELATIONS DEPARTMENT:
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ANNOUNCES RESULTS FOR THE FIRST QUARTER OF 2001

FIRST QUARTER HIGHLIGHTS

BRASILIA, MAY 09, 2001 - Tele Centro Oeste Celular Participacoes S.A. (NYSE: TRO; IBOVESPA: TCOC3/TCOC4) today discloses its results relative to the first quarter of 2001. In the first quarter of 2001, the company obtained a net consolidated profit of R\$ 34.9 million, and its earnings before interest, taxes, depreciation and amortization (EBITDA), was R\$ 101 million. It generated a Gross Operating Revenue of R\$ 346.5 billion and a Net Operating Revenue of R\$ 277.6 million, which represented a 43% growth over the previous year.

2 MILLION CLIENTS

In the month of May 2001 TCO is celebrating the mark of 2 million clients. In March 2001 TCO celebrated the mark of one million clients, and shortly afterwards it had increased its client base by 100%, which is clear evidence of the excellent administration of the company and proves its deep knowledge of the region where it operates. It also shows the level of investments made in the quality of services and coverage.

OPERATING RESULTS

| SUBSCRIBERS | 1Q01 | 4Q00 | 3Q00 | 2Q00 | 1Q00 |
|--------------|-----------|-----------|-----------|-----------|-----------|
| CONSOLIDATED | 1,897,557 | 1,712,184 | 1,392,729 | 1,224,707 | 1,021,369 |
| Post-paid | 621,746 | 579,511 | 492,358 | 525,646 | 534,622 |
| Pre-paid | 1,259,101 | 1,115,962 | 883,664 | 682,360 | 470,055 |
| Rural | 16,710 | 16,711 | 16,707 | 16,701 | 16,692 |
| AREA 7 | 1,598,530 | 1,455,502 | 1,212,137 | 1,094,766 | 939,176 |
| Post-paid | 519,734 | 493,934 | 446,093 | 487,229 | 508,584 |
| Pre-paid | 1,062,086 | 944,857 | 749,337 | 590,836 | 413,900 |
| Rural | 16,710 | 16,711 | 16,707 | 16,701 | 16,692 |
| AREA 8 | 299,027 | 256,682 | 180,592 | 129,941 | 82,193 |
| Post-paid | 102,012 | 85,577 | 46,265 | 38,417 | 26,038 |
| Pre-paid | 197,015 | 171,105 | 134,327 | 91,524 | 56,155 |

AREA 7 - CONTINUOUS GROWTH

Our Band A operators in Area 7 closed the quarter with more than 1.5 million clients, of which 34% is formed by clients of the post-paid system. The percentage of population covered by TCO in Area 7 reached 84% at the end of March, which is equivalent to more than 12 million inhabitants in 256 locations. TCO's penetration rate reached 11% in the region at the end of the quarter, which represents an increase of 66% compared to

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the same period of the previous year.

AREA 8 -
SUCCESS IN SALES

NBT is the company operating Band B in Area 8, and closed the quarter with more than 299 thousand subscribers, of which 34% were from post-paid clients. The penetration rate obtained by NBT went up by 235% compared to the first quarter of 2000, reaching 2% in the present quarter. In addition, NBT covers 56 locations, which corresponds to approximately 50% of the population in Area 8.

ENCOURAGING
THE POST-PAID
SERVICE

TCO recently launched new products aiming at expanding the use of the post-paid service. The SOLTE A VOZ ["SPEAK UP"] is an exclusive reward program offered to TCO clients who use post-paid cellular services. The services referring to calls paid through their bills are converted into minutes of free cellular-phone conversation. Also in 2000, TCO launched the LIGUE+ ["CALL+"], a program which offers a 25% discount on the calls originated by the client to a pre-established set of numbers, conditional on their being subscribers of TCO.

"ESSENCIAL" -
AN ALTERNATIVE
SERVICE PLAN

Late in the third quarter of 2000, TCO launched the alternative service plan called ESSENCIAL ["ESSENTIAL"], aiming at attracting clients with a profile for the post-paid service. The program offers four plans with services that have minute-based deductibles VC1 and VC2, for calls to any cellular or fixed line within the TCO region. The monthly fee is charged according to the number of minutes contracted as deductible:

ESSENCIAL 50 MINUTES : R\$ 39.00
ESSENCIAL 100 MINUTES : R\$ 59.00
ESSENCIAL 150 MINUTES : R\$ 69.00
ESSENCIAL 300 MINUTES : R\$ 109.00

| AREA 7 - OPERATING DATA | 1Q01 | 4Q00 |
|------------------------------------|-------|-------|
| Estimated market participation (%) | 79.0 | 78.4 |
| Estimated population (Millions) | 14.3 | 14.3 |
| Estimated penetration - TCO (%) | 11.1 | 10.1 |
| Access digitization (%) | 92.2 | 90.3 |
| Municipalities attended | 256 | 253 |
| Workforce | 2,213 | 1,834 |
| Employed | 1,148 | 1,082 |
| Interns and outsourced | 1,065 | 752 |
| AREA 8 - OPERATING DATA | 1Q01 | 4Q00 |
| Estimated market participation (%) | 27.0 | 25.3 |
| Estimated population (Millions) | 14.8 | 14.9 |
| Estimated penetration - NBT (%) | 2.0 | 1.7 |
| Access digitization (%) | 100 | 100 |

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| | | |
|-------------------------|-----|-----|
| Municipalities attended | 56 | 56 |
| Workforce | 636 | 563 |
| Employed | 252 | 245 |
| Interns and outsourced | 384 | 318 |

WAP On January 10, 2001, TCO activated the WAP service, which is currently offered in the cities of BRASILIA, GOIANIA, CAMPO GRANDE, BELEM, MANAUS and SAO LUIS. TCO markets two types of handsets equipped with the WAP technology: the NOKIA 7160 and the GRADIENTE G-WAP, for R\$ 799.00 for post-paid and R\$990.00 for pre-paid service. No monthly subscription is charged, but the value equivalent to the VC1 rate per minute of usage is. The services offered by the WAP portal include movies and theater shows, celebrations and concerts, tourism, restaurants, hotels, convenient telephone numbers, news, bank services, message delivery, customized message cards, games, professions, careers and others. Between October 2000 and April 2001, TCO invested approximately R\$ 20 million the WAP system.

SMS E-CELULAR is the SHORT MESSAGE SERVICE offered by TCO, which currently has more than 230 thousand registered subscribers, of which 182 thousand are in Area 7 and 48 thousand in Area 8. Approximately 600 thousand messages are sent daily, 470 thousand by clients in Area 7 and 130 thousand by clients in Area 8. Currently TCO does not charge for this service.

NETWORK STRUCTURE At the end of March 2001, TCO had 607 Radio Base Stations (ERB) in Area 7 and 13 Switching Equipment. In Area 8, NBT has now 116 Radio Base Stations (ERB) and 9 Switching Equipment.

TRADE At the end of the first quarter of 2001, TCO had 35 proprietary stores, 1,088 accredited retailers of handsets and more than 9 thousand direct and indirect retailers of cards in Area 7. In Area 8, TCO runs a trade structure through NBT which has 13 proprietary stores, 204 accredited retailers of handsets and more than 2.4 thousand direct and indirect retailers of cards.

ECONOMIC AND FINANCIAL RESULTS

| | R\$ Thousand | | |
|-----------------------------------|--------------|---------|----------|
| CONSOLIDATED RESULT - ACCUMULATED | 1Q01 | 1Q00 | VARIATIO |
| Gross Operating Revenue | 346,539 | 243,418 | |
| Net Operating Revenue | 277,607 | 193,696 | |
| Operating Profit | 58,743 | 41,550 | |
| Net Profit in the Period | 34,902 | 26,738 | |
| EBITDA | 101,087 | 70,641 | |

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EBITDA Margin
Indebtedness

36.4%

36.5%