

TELE CENTRO OESTE CELULAR PARTICIPACOES
Form 6-K
February 18, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 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 February, 2004

Commission File Number 001-14489

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

(Exact name of registrant as specified in its charter)

Tele Centro Oeste Celular Participações Holding Company

(Translation of Registrant's name into English)

**SCS - Quadra 2, Bloco C, Edifício Anexo-Telebrásília Celular
-7º Andar, Brasília, D.F.**

Federative Republic of Brazil

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover 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

VIVO, SOUTHERN HEMISPHERE'S LARGEST WIRELESS GROUP ANNOUNCES FOURTH QUARTER 2003 CONSOLIDATED EARNINGS OF TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

INVESTOR RELATIONS OFFICER:

Luis André Carpintero Blanco

Brasília Brazil , 16 February 2004 Tele Centro Oeste Celular Participações S.A. (TCO), (BOVESPA: TCOC3 (ON)/TCOC4 (PN); NYSE: TRO), discloses its consolidated results for the fourth quarter 2003 (4Q03). The closing rates for February 13, 2004 were: **TCOC3**: R\$ 8.05 / 1,000 shares **TCOC4**: R\$ 10.30 / 1,000 shares and **TRO**: US\$ 10.55 / ADR (1 ADR = 3,000 PN shares). TCO is the holding company for six wireless telecommunication service providers: Telegoiás Celular S.A., Telemat Celular S.A., Telems Celular S.A., Teleron Celular S.A., Teleacre Celular S.A. and Norte Brasil Telecom S.A.; is a company delivering solutions for the data services market using IP (*Internet Protocol*), TCO IP. TCO is active in the Federal District and 11 states of Brazil: Acre, Amazonas, Amapá, Goiás, Maranhão, ato Grosso do Sul, Pará, Rondônia, Roraima and Tocantins, covering an authorized area of 5.8 million sq km with 31.8 million inhabitants, which is approximately 18% of the total population of Brazil.

Except where otherwise stated, the financial and operating information here is presented on a consolidated basis in accordance with Brazilian laws and accounting standards. For comparative purposes, we shall continue to refer to Regions I (B frequency sub-band) and II (A frequency sub-band) of the Authorization Term for Personal Wirleless Service (PWS), as 8 Area 7 Area respectively.

HIGHLIGHTS

Tele Centro Oeste Celular								
R\$ million	4Q03	3Q03	Δ %	4Q02	Δ %	2003	2002	Δ %
Net Operating revenue	552.5	504.6	9.5%	447.4	23.5%	1,958.9	1,572.1	24.6%
Net Operating revenue from Services	435.0	425.6	2.2%	373.3	16.5%	1,657.4	1,353.9	22.4%
Net Operating revenue from Goods	117.5	79.0	48.7%	74.1	58.6%	301.5	218.2	38.2%
Total Operating Costs	(381.3)	(293.8)	29.8%	(309.3)	23.3%	(1,216.5)	(955.1)	27.4%
EBITDA	171.2	210.8	-18.8%	138.1	24.0%	742.4	617.0	20.3%
EBITDA margin (%)	31.0%	41.8%	-10.8 p.p.	30.9%	0.1 p.p.	37.9%	39.2%	-1.3 p.p.
Depreciation and Amortization	(43.5)	(54.6)	-20.3%	(43.9)	-0.9%	(194.8)	(158.4)	23.0%
EBIT	127.7	156.2	-18.2%	94.2	35.6%	547.6	458.6	19.4%
Net Profit	137.1	114.2	20.1%	99.0	38.5%	463.4	329.2	40.8%
Profit per share (R\$ per thousand shares)	0.36	0.30	20.1%	0.26	38.5%	1.22	0.87	40.8%
Profit per ADR (R\$)	1.08	0.90	20.1%	0.78	38.5%	3.67	2.60	40.8%
Number of shares (billion)	379.2	379.2	0.0%	379.2	0.0%	379.2	379.2	0.0%
Investments (accumulated)	207.6	116.9	n.a.	170.6	21.7%	207.6	170.6	21.7%
Investment as % of revenues	16.4%	8.3%	8.1 p.p.	12.8%	3.6%	10.6%	10.9%	-0.3%
Operating Cash Flow (accumulated)	80.5	163.8	-50.9%	80.7	-0.2%	534.8	446.4	19.8%
Clients (thousands)	4,112	3,593	14.4%	3,067	34.1%	4,112	3,067	34.1%
Net additions	519	263	97.3%	215	141.4%	1,046	655	59.7%

Total figures are subject to discrepancies resulting from rounding up / down.

TELE CENTRO OESTE CELULAR PARTICIPAÇÕES S.A.

Basis for reporting results in the quarter

- The criteria for calculating the main business efficiency indicators were matched with other Vivo companies, leading to an adjustment to 4Q02 data too for comparative purposes:
 - Churn: started to be calculated using the following formula (Churn = cancellations / average no. of clients for the period). Previously, the formula used was: (Churn = cancellations / (average no. of clients at the start of the period + gross additions for the period));
 - ARPU: adjusted due to reclassification of the Fust/Funttel deduction from revenue for operational expenses;
 - SAC: started to be included in the calculation 70% of advertising expenses (previously 100%) and no longer included the amount of the Fistel tax (previously included).
- Due to reclassification of the Fust/Funttel deduction from revenue to operational expense, past data for Net Operating Income, Operating Income and EBITDA Margin were adjusted to facilitate comparison. Employee profit sharing started to be classified as an operational expense and so amounts pertaining to 2002 were altered for comparative purposes.
- On July 6th, 2003, Personal Wireless Service (PWS) carriers had to introduce the Carrier Selection Parameter (CSP) facility for long distance calls. TCO carriers no longer received VC2 and VC3 revenues and began to receive interconnection revenues for use of their networks by these connections.
- Moreover, in compliance with Anatel regulations, *Bill & Keep* rules were used for interconnection charges as of July 2003. Therefore remuneration for use of networks between SMP (wireless service) carriers will only apply if traffic between them exceeds 55%, which will impact income and interconnection cost without, however, significantly affecting EBITDA .

VIVO

TCO is one of the companies that together with Telesp Celular Participações S.A., Tele Leste Celular Participações S.A., Tele Sudeste Celular Participações S.A. and Celular CRT Participações S.A., comprises the assets of the *Joint Venture* between Telefônica Móviles and Portugal Telecom. On April 13, 2003, the VIVO brand was launched to create one single image for the Group's operations, thus evincing its coverage and capillarity in the country and its business strategy. The brand is now *Top of Mind* in the Brazilian market.

Acquisition of TCO by TCP

After the acquisition of shareholder control by TCP and the tender offer of TCO's remaining common shares, TCP has held 86.6% of voting capital, representing 28.9% of the Company's total capital, whose holdings excluding treasury shares was 90.7% of voting capital, representing 29.3% of total capital.

Although still taking the view that the merger of TCO into TCP shares and the conditions involved, were in accordance with legality and the best option for the companies and their shareholders, TCP and TCO, on January 12, 2004, concluded that due to statements made by the Brazilian Securities and Exchange Commission (local acronym CVM), the most appropriate and opportune decision, in view of the situation created, would be to cancel the merger.

HIGHLIGHTS 4Q03

4.112 million clients, an increase of 14.4% and 34.1% compared to 3Q03 and 4Q02, respectively.

Intensive sales activity led to 519,000 new additions in 4Q03.

TCO's post-paid clients base grew 10.5% in relation to 2002 and its pre-paid clients base increased 43.4%.

In 4Q03, 23.6% of the Company's total clients base were potential users of WAP and 1xRTT services.

Net operating revenue was R\$ 1,958.9 million which was 24.6% up on 2002.

22.4% growth in net operating revenue from services in 2003 compared to 2002.

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20.3% increase in EBITDA and 37.9% in EBITDA margin in 2003.

Net Revenue was R\$ 463.4 million in 2003, 40.8% higher than in 2002.

Operating cash flow was R\$ 534.8 million in 2003, which is 19.8% higher than in 2002, showing that the company has enough cash flow generation to maintain its investments.

CONSOLIDATED OPERATING PERFORMANCE OF TCO

TCO Consolidated	4Q03	3Q03	Δ %	4Q02	Δ %
Total clients (thousands)	4,112	3,593	14.4%	3,067	34.1%
Pos-paid	950	916	3.7%	860	10.5%
Pre-paid	3,163	2,677	18.2%	2,206	43.4%
Analog	34	40	-15.0%	58	-41.4%
Digital	4,078	3,553	14.8%	3,009	35.5%
Net additions (thousands)	519	263	97.3%	215	141.4%
Pos-paid	34	24	41.7%	70	-51.4%
Pre-paid	485	239	102.9%	145	234.5%
Market share of net additions (%)	49.7%	47.6%	2.1 p.p.	40.3%	9.4 p.p.
SAC (R\$)	76	70	8.6%	189	-59.8%
Churn in the quarter(%)	7.3%	6.9%	0.4p.p.	6.1%	1.2p.p.
ARPU (R\$/month)	38.4	41.0	-6.3%	42.6	-9.9%
Pos-paid	85.0	87.3	-2.6%	89.6	-5.1%
Pre-paid	23.2	24.7	-6.1%	24.5	-5.3%
Total MOU (minutes)	100.7	101.6	-0.9%	111.7	-9.8%
Pos-paid	207.3	189.4	9.5%	216.0	-4.0%
Pre-paid	63.2	69.8	-9.5%	70.3	-10.1%
Employees	1,510	1,594	-5.3%	1,575	-4.1%
Client/Employee	2,723	2,254	20.8%	1,947	39.9%

TCO - Consolidated Operating Highlights

In 4Q03, TCO took a 49.7% share of net additions in the states it covered. *Source: ANATEL*

TCO's clients base increased 34.1% in the year. Net additions were 141.4% higher than in 4Q02 and accounted for 49.6% of the net additions for the year.

In 7 area, TCO held on to its lead with a *market share* of 67.5%, the highest share among Brazilian wireless carriers, while in 8 area, our NBT carrier (B-band) estimated its market share at 32.7%.

The substantial number of gross additions, many of whom will only start to generate revenue in 2004, impacted *blended* ARPU (Average revenue per user), which fell by 6.3% in relation to 3Q03.

TCO's SAC fell 59.8% in relation to 4Q02 mainly due to supplier discounts.

As a result of the company's managerial efficiency, productivity gains in 4Q03 were 20.8% and 39.9% in relation to 3Q03 and 4Q02 respectively.

7 AREA OPERATING PERFORMANCE

Operating Data TCO 7 Area

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	4Q03	3Q03	Δ %	4Q02	Δ %
Total clients (thousands)	3,311	2,902	14.1%	2,469	34.1%
Pos-paid	800	771	3.8%	712	12.4%
Pre-paid	2,511	2,131	17.8%	1,757	42.9%
Analog	35	39	-10.3%	58	-39.7%
Digital	3,276	2,863	14.4%	2,411	35.9%
Estimated market share (%)	67.5%	68.5%	-1.0%	73.0%	-5.5%
Net additions (thousands)	408	214	90.7%	167	144.3%
Pos-paid	30	24	25.0%	59	-49.2%
Pre-paid	379	190	99.5%	108	250.9%
Market share of net additions (%)	60.2%	55.9%	4.3 p.p.	50.4%	9.8 p.p.
Market Penetration (%)	31.4%	27.3%	4.1 p.p.	22.0%	9.4 p.p.
SAC (R\$)	71	70	1.4%	189	-62.4%
Churn in the quarter(%)	6.5%	6.1%	0.4%	6.0%	0.5%
ARPU (R\$/month)	39.2	41.5	-5.5%	42.6	-8.0%
Pos-paid	84.4	85.8	-1.6%	89.6	-5.8%
Pre-paid	23.6	25.1	-6.0%	24.5	-3.7%
Total MOU (minutes)	103.4	103.8	-0.4%	111.7	-7.4%
Pos-paid	208.6	188.6	10.6%	216.0	-3.4%
Pre-paid	64.2	71.3	-10.0%	70.3	-8.7%
Employees	1,135	1,216	-6.7%	1,286	-11.7%
Client/Employee	2,917	2,387	22.2%	1,920	51.9%

Operating Highlights for 7 Area In 4Q03, TCO's 7 Area accounted for a 60.2 % share of net additions in the states in which it operates. Three wireless operators operate in the same states as TCO. *Source: ANATEL*

Growth in the clients base in the area in 4Q03, was 14.1% in relation to 3Q03 and 34.1% compared to 4Q02, ending the year with 3.311 million clients.

7 Area's post-paid clients base grew 12.4% compared with 2002 due to a focus on the corporate market and post-paid clients.

TCO's 7 Area acquired 408,000 net additions in 4Q03.

TCO's 7 Area maintained its leadership with a *market share* of 67.5%.

The substantial number of gross additions, many of whom will only start to generate revenue in 2004, impacted 7 Area's blended ARPU, which fell by 5.5% in relation to 3Q03.

7 Area's SAC was practically unchanged in relation to 3Q03 and despite intensive sales activity in the period fell 62.4% in relation to 4Q02 mainly due to supplier discounts.

Due to the company's managerial efficiency, productivity gains in 4Q03 were 22.2% and 51.9% in relation to 3Q03 and 4Q02 respectively.

8 AREA OPERATING PERFORMANCE

Operational Data	TCO	8 Area			
	4Q03	3Q03	Δ %	4Q02	Δ %
Total clients (thousands)	802	691	16.1%	598	34.1%
Pos-paid	149	145	2.8%	148	0.7%
Pre-paid	652	546	19.4%	449	45.2%
Estimated market share (%)	32.7%	33.0%	-0.3 p.p.	35.0%	-2.3 p.p.
Net additions (thousands)	111	49	126.5%	48	131.3%

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Pos-paid	5	0	n.a.	11	-54.5%
Pre-paid	106	49	116.3%	36	194.4%
Market share of net additions (%)	30.3%	28.8%	1.5 p.p.	23.8%	6.5 p.p.
Market Penetration (%)	15.0%	12.8%	2.2 p.p.	10.5%	4.5 p.p.
SAC (R\$)	68	85	-20.0%	189	-64.0%
Churn in the quarter(%)	10.9%	7.9%	3.0 p.p.	6.5%	4.4 p.p.
ARPU (R\$/month)	35.0	38.7	-9.6%	42.6	-17.8%
Pos-paid	88.7	95.3	-6.9%	89.6	-1.0%
Pre-paid	21.5	23.1	-6.9%	24.5	-12.2%
Total MOU (minutes)	88.5	95.8	-7.6%	111.7	-20.8%
Pos-paid	200.3	199.8	0.3%	216.0	-7.3%
Pre-paid	59.3	66.5	-10.8%	70.3	-15.6%
Employees	375	378	-0.8%	289	29.8%
Client/Employee	2,139	1,828	17.0%	2,069	3.4%

Operating Highlights for 8 Area In 4Q03, TCO's 8 Area accounted for a 30.3 % share of net additions in the states in which it operates. Four wireless operators operate in the same states as TCO. *Source: ANATEL*

In 4Q03 8 Area's clients base grew 16.1% compared with 3Q03 and 34.1% compared with 4Q02, to end the year with 802,000 clients.

8 Area's post-paid clients base grew 2.8% compared with 3Q03 due to a focus on the corporate market and post-paid clients.

TCO's 8 Area reported 111,000 net additions in 4Q03;

TCO's 8 Area obtained a *market share* of 32.7% with four competitors in its market.

The substantial number of gross additions, many of whom will only start to generate revenue in 2004, impacted 8 Area's blended ARPU, which fell by 9.6% in relation to 3Q03.

The 8 Area's SAC was reduced by 20.0% in relation to 3Q03 due to supplier discounts.

Due to the company's managerial efficiency, productivity gains of 17.0% and 3.4% in relation to 3Q03 and 4Q02 respectively.

Technological Innovation

TCO is currently using TDMA and CDMA 1xRTT digital technologies superimposed on the current TDMA network.

As of October 29th, 2003, TCO started high-speed Wireless Internet over its CDMA 1xRTT network and by the end of 2003 was already covering the cities of Brasília, Goiânia and 15 other municipalities in the state of Goiás.

There has been more usage of WAP and 1xRTT to advertise new services and applications such as chats, and broadcast in the use of applications and news. In 4Q03, 23.6% of the total clients base were potential users of WAP and 1xRTT services.

FINANCIAL PERFORMANCE

Operating Revenue

R\$ million	4Q03	3Q03	Δ %	4Q02	Δ %	2003	2002	Δ %
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Subscription and usage	343.7	318.1	8.0%	297.0	15.7%	1,286.7	1,040.2	23.7%
Network usage charges	197.8	206.5	-4.2%	172.6	14.6%	776.8	649.3	19.6%
Other services charges	16.2	12.7	27.6%	5.2	211.5%	40.3	15.9	153.5%
Revenues from telecommunications services	557.7	537.3	3.8%	474.8	17.5%	2,103.8	1,705.4	23.4%
Sales of goods (handsets and accessories)	149.9	99.9	50.1%	95.0	57.8%	383.5	276.9	38.5%
Total gross operating revenue	707.6	637.2	11.0%	569.8	24.2%	2,487.3	1,982.3	25.5%
Total deductions from gross operating revenue	(155.1)	(132.6)	17.0%	(122.4)	26.7%	(528.4)	(410.2)	28.8%
Net operating revenue	552.5	504.6	9.5%	447.4	23.5%	1,958.9	1,572.1	24.6%
Net operating revenue from services	435.0	425.6	2.2%	373.3	16.5%	1,657.4	1,353.9	22.4%
Net operating revenue from sales of goods	117.5	79.0	48.7%	74.1	58.6%	301.5	218.2	38.2%

Net Operating Revenue from Services TCO's net operating revenue from services reached R\$ 1,657.4 million in 2003, which was 22.4% higher than in 2002. The company's net operating revenue from services in 4Q03 grew 2.2% in relation to 3Q03. This growth was mainly due to increased local outgoing traffic.

Net Operating Revenue from Goods TCO's net operating revenue from goods in 2003 amounted to R\$ 301.5 million, which is 38.2% up on 2002. In 4Q03, the company's net operating revenue from goods grew 48.7% in relation to 3Q03, due to intensive sales activity in the period.

Subscriber and Usage Revenue TCO's subscriber and usage revenue in 2003 was R\$ 1,286.7 million, which is 23.7% higher in relation to 2002. In 4Q03, subscriber and usage revenue grew 8.0% compared with 3Q03 mainly due to greater usage of services.

Interconnection Revenue TCO's interconnection revenue in 2003 increased 19.6% in relation to 2002, in spite of the impact of the Bill & Keep rules, beginning in 3Q03, which represented 1.9% of the net operating revenue from services.

Other Revenues and Revenue from Data Services Other service revenue showed substantial growth in 2003 with a total R\$ 40.3 million. In 4Q03 revenue from data services represented 42.2% of the revenue from other services, mainly due to the nationwide campaigns related to users of SMS (*Short Message Service*), WAP and 1xRTT.

Operating Costs								
R\$ million	4Q03	3Q03	Δ %	4Q02	Δ %	2003	2002	Δ %
Personnel	(41.2)	(29.9)	37.8%	(21.9)	88.1%	(119.9)	(80.0)	49.9%
Cost of services rendered	(78.2)	(76.7)	2.0%	(78.9)	-0.9%	(334.0)	(283.5)	17.8%
Connection means	(8.9)	(9.7)	-8.2%	(6.5)	36.9%	(36.9)	(32.3)	14.2%
Interconnection	(21.9)	(28.1)	-22.1%	(38.7)	-43.4%	(147.1)	(142.7)	3.1%
Rents / Insurance / Condominium fees	(4.1)	(3.6)	13.9%	(3.2)	28.1%	(13.7)	(10.1)	35.6%
Fistel and other fees and contributions	(33.5)	(22.0)	52.3%	(18.6)	80.1%	(85.0)	(60.1)	41.4%
Third-party services	(7.3)	(11.1)	-34.2%	(8.9)	-18.0%	(40.1)	(28.8)	39.2%
Others	(2.5)	(2.2)	13.6%	(3.0)	-16.7%	(11.2)	(9.5)	17.9%
Cost of goods sold	(163.8)	(96.5)	69.7%	(121.2)	35.1%	(413.9)	(313.9)	31.9%
Sales of services	(78.6)	(66.1)	18.9%	(58.2)	35.1%	(256.5)	(182.8)	40.3%
Provision for doubtful debtors	(8.8)	(13.9)	-36.7%	(9.1)	-3.3%	(47.1)	(37.3)	26.3%
Marketing	(16.3)	(10.5)	55.2%	(10.6)	53.8%	(48.1)	(34.0)	41.5%

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Commissions	(23.1)	(17.5)	32.0%	(13.4)	72.4%	(64.5)	(39.9)	61.7%
Third-party services	(19.5)	(17.4)	12.1%	(22.2)	-12.2%	(57.9)	(61.6)	-6.0%
Others	(10.9)	(6.8)	60.3%	(2.9)	275.9%	(38.9)	(10.0)	289.0%
General and administrative expenses	(28.7)	(24.6)	16.7%	(24.8)	15.7%	(104.1)	(81.8)	27.3%
Other operating revenue (expenses)	9.3	-	n.a.	(4.3)	n.a.	11.9	(13.1)	n.a.
Total operating costs not including depreciation or amortization	(381.3)	(293.8)	29.8%	(309.3)	23.3%	(1,216.5)	(955.1)	27.4%
Depreciation and amortization	(43.5)	(54.6)	-20.3%	(43.9)	-0.9%	(194.8)	(158.4)	23.0%
Total Operating Costs	(424.8)	(348.4)	21.9%	(353.2)	20.2%	(1,411.3)	(1,113.5)	26.7%

Cost of Personnel

In 2003 TCO's Cost of Personnel increased 49.9% in relation to 2002 due to the contract signed in December 2003, retroactive to November 1st, which saw a linear increase of 7.5% in line with inflation. Moreover this cost was impacted by end-year and long-service bonuses for employees.

Cost of services rendered

In 4Q03, the cost of the services provided by TCO increased 2.0% due mainly to the 52.3% rise in Fistel tax, which was levied on net additions and was raised by 97.3% in 4Q03 in relation to 3Q03.