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TELE NORDESTE CELULAR PARTICIPAÇÕES S.A. ANNOUNCES SECOND QUARTER 1999 RESULTS

Recife, Brazil (August 11, 1999) – Tele Nordeste Celular Participações S.A. (NYSE: TND, BOVESPA: TNCP3, TNCP4) (“Tele Nordeste,” or “The Company”), the holding company controlling the operating companies serving Band A cellular telecommunication customers in the states of Piauí, Ceará, Rio Grande do Norte, Paraíba, Pernambuco and Alagoas, announced today its results for the second quarter of 1999 in accordance with Brazilian GAAP. The translation to US dollars has been presented solely for the convenience of the reader. This conversion does not imply that real amounts actually represent such US dollar amounts or may be converted to US dollars at the rate indicated. The US dollar amounts have been converted from reais at the commercial selling rate published by the Central Bank of Brazil at June 30, 1999, which was R\$1.7695 to US\$1.00.

Financial Highlights

Tele Nordeste’s net income for the second quarter of 1999 was R\$2.9 million (US\$1.6 million) resulting in a total of R\$16.5 million (US\$9.3 million) for the first half of 1999 or R\$0.05 (US\$0.03) per thousand shares, compared to R\$22.6 million (US\$12.8 million) for the second quarter of 1998 and R\$48.5 million (US\$27.4 million) for the first half of 1998. Consolidated net operating revenue for the second quarter of 1999 reached R\$150.4 million (US\$85.0 million), resulting in a total of R\$290.9 million (US\$164.4 million) for the first half of 1999, compared to R\$107.2 million (US\$60.6 million) for the second quarter of 1998 and R\$230.0 million (US\$130.0 million) for the first half of 1998.

For the second quarter of 1999, the Company reported consolidated EBITDA and EBIT of R\$49.7 million (US\$28.1 million) and R\$20.5 million (US\$11.6 million), respectively, representing a 33.0% EBITDA margin and a 14.0% EBIT margin over net operating revenues, compared to the R\$54.7 million (US\$30.9 million) EBITDA and R\$43.8 million (US\$ 24.8 million) EBIT, representing a 51% EBITDA margin and a 41% EBIT margin over net operating revenues, reported for the second quarter of 1998.

For the first half of 1999, EBITDA and EBIT were R\$100.9 million (US\$57.0 million) and R\$53.4 million (US\$30.2 million), representing an EBITDA and EBIT margin over the net operating income of 38% and 18%, respectively, compared to the R\$126.3 million (US\$71.4 million) EBITDA and R\$105.0 million (US\$59.3 million) EBIT, representing a 55% EBITDA margin and a 46% EBIT margin over net operating revenues, reported for the first half of 1998.

The exchange losses related to the devaluation of the real in the first quarter of 1999 were deferred for future amortization. In this regard, the amount of R\$3.4 million (US\$1.9 million) has been amortized and charged to income in the second quarter of 1999. The balance to be amortized at June 30, 1999, was R\$29.4 million (US\$16.6 million). All amounts represent pre-tax figures. This deferment has been approved by the Brazilian CVM, for amortization within four years or when the loss is effectively disbursed, whichever occurs first.

On January 1, 1999, Tele Nordeste's subsidiaries adopted the maximum rates of depreciation for automatic switching and transmission equipment, established in the Normative Instruction SRF (The Brazilian Internal Revenue Service) nº 162, of December 31, 1998, in order to adequately reflect the life of these assets. This change resulted in an increase of R\$17.9 million (US\$10.1 million) in depreciation charges for the second quarter of 1999, and in a decrease of consolidated net income of approximately R\$11.9 million (US\$6.7 million). Despite this decrease in net income, it had a positive effect on cash generation.

Selected Consolidated Financial Data (in thousands of Reais)

| | 1999 | | 1998 | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 2 nd Qtr. | 1 st half | 2 nd Qtr. | 1 st half |
| Revenue | | | | |
| - Usage charges | 94,287 | 188,307 | 74,115 | 151,713 |
| - Monthly subscription payments | 35,552 | 67,367 | 25,517 | 74,185 |
| - Activation fees | 0 | 81 | 904 | 4,001 |
| - Network usage charges | 36,941 | 77,048 | 35,567 | 59,771 |
| - Sale of handsets | 23,573 | 35,154 | 0 | 0 |
| - Other | 863 | 1,838 | 1,362 | 2,710 |
| Subtotal | 191,216 | 369,795 | 137,465 | 292,380 |
| - Value added and other indirect taxes | (40,858) | (78,903) | (30,257) | (62,369) |
| Net Operating Revenue | 150,358 | 290,892 | 107,208 | 230,011 |
| Cost of services and of goods sold | | | | |
| - Depreciation and amortization | (28,720) | (56,662) | (10,773) | (21,204) |
| - Personnel | (1,178) | (1,743) | (64) | (1,325) |
| - Materials and services | 1,839 | (3,302) | (497) | (900) |
| - Circuit leasing and related expenses | (23,968) | (55,292) | (30,587) | (61,516) |
| - Leases and insurance | (1,507) | (2,972) | (1,961) | (3,796) |
| - Cellular handset costs | (27,520) | (34,353) | 0 | 0 |
| - Fistel and other | (5,016) | (9,809) | (1,266) | (5,087) |
| Subtotal | (86,070) | (164,13) | (45,748) | (93,828) |
| Gross profit | 64,288 | 126,759 | 61,460 | 136,183 |

Net operating revenue for the second quarter of 1999 increased 40% when compared with the same quarter of the previous year. This increase is primarily due to the substantial increase in the number of subscribers during the period. The average number of users in the second quarter 1999 increased 61.2% (from 463,000 to 746,000) over the same quarter of 1998. Net operating revenue for the first half of 1999 was R\$290.9 million (US\$164.4 million) compared with R\$230.0 million (US\$130.0 million) for the same period of the previous year.

Gross profit for the second quarter of 1999 increased 4.6% when compared to the same period in 1998. This small increase was due to handset subsidies which reached R\$8.8 million (US\$5.0 million) during the second quarter of 1999. Excluding handset subsidies, gross profit increased

18.8% when compared with the same quarter of 1998, reflecting an increase in the number of users.

Gross profit for the first half of 1999 was R\$126.7 million (US\$71.6 million) including handset subsidies, and R\$133.2 million (US\$75.3 million) excluding handsets, compared with R\$136 million (US\$76.9 million) for the same period of the previous year. The increase of certain depreciation rates in the first half of 1999 has also contributed to the decrease of gross profit, when compared with the same period of 1998.

Net operating expenses increased substantially during the second quarter compared to the same period of the prior year, from R\$22.5 million (US\$12.7 million) in 1998, to R\$52.9 million (US\$29.9 million) in 1999. This increase in operating expenses resulted from marketing activities (non-existent in 1998), which have been intensified in 1999 aimed at increasing the customer base and improving services. For the first half of the year, net operating expenses were R\$86.3 million (US\$48.8 million), compared with R\$45.5 million (US\$25.7 million) for the same period of the prior year.

Consolidated bad debt expense for the second quarter of 1999, reached R\$11.6 million (US\$6.6 million) representing 6% of gross revenue (4.8% for the first half of 1999).

Dividends and interest on own capital (per thousand shares)

In accordance with the Annual Shareholders' Meeting held on April 28, 1999, the Company has started paying 1998 dividends, totaling R\$29.5 million (US\$6.7 million).

| | Net Value (in reais) | | | |
|-------------------------|----------------------|-----------|---------|-----------|
| | Exempt | | Taxable | |
| | Common | Preferred | Common | Preferred |
| Interest on own capital | 0.07623 | 0.07623 | 0.06429 | 0.06429 |
| Dividends | 0.01279 | 0.01279 | 0.01269 | 0.01269 |

Tele Nordeste's subsidiaries, in accordance with their Annual Shareholders' Meeting, started paying dividends and interest on capital, based on their results for the year-ended December 31, 1998, on June 25, 1999, totaling R\$36.5 million (US\$20.6 million).

Consolidated Statistics

| | 30.06.99 | 30.06.98 |
|--|----------|----------|
| Subscribers – post-paid (in thousands) | 737 | 467 |
| Growth | 57.9% | |
| Pre-paid (in thousands) | 55 | |
| Total | 792 | 467 |
| Growth | 69.7% | |
| Estimated population of region (in millions) | 26.0 | 25.8 |
| Regional penetration (Tele Nordeste only) | 3.05% | 1.81% |
| Average monthly incoming minutes, per user | 103 | 110 |
| Average monthly outgoing minutes, per subscriber | 91 | 108 |

The average revenue per user (ARPU), net of taxes, for the second quarter of 1999 was R\$62.29 (US\$35.20) per month, compared to R\$76.36 (US\$43.15) per month for the second quarter of 1998. The ARPU for the first half of 1999 was R\$65.46 (US\$36.99), compared to

R\$80.39 (US\$45.43) for the same period of the prior year. The expansion of the customer base now includes low-use customers (post-paid and pre-paid), thus affecting the average minutes and the ARPU.

Competition

The Company estimates that its market share at the end of the second quarter of 1999 was approximately 75%. The penetration rate in the States the Company services, at the same date, was estimated at 4.05%, compared to Brazil's penetration rate of approximately 6.3% (10 million subscribers) at June 30, 1999.

During the first quarter of 1999, the Company's subsidiaries continued to increase the digitalization of their systems. In this regard, more than 55% of clients are now using digital terminals. Together, the subsidiaries increased their client base to 792,522 users, of which, 737,388 have post-paid contracts and 55,134 are pre-paid users, with the addition of 133,293 new users and the disconnection of 30,510 subscribers, mainly bad debtors. The coverage of cellular mobile telephone services in the region has been estimated at 68%.

In order to increase the client base, the Company has been focusing on aggressive marketing campaigns, including special promotions on commemorative dates. Besides investments in advertising, the Company has subsidized handset sales and offered credit through financing companies.

After launching the pre paid system – TIMMY Digital Classic in April 1999, the Company has now launched another pre paid product, with an affordable price – TIMMY Digital Light in July 1999, that will be available throughout the region. This product will provide cheaper handsets as well as lower rates during off-peak times.

Debt Profile

Consolidated debt at June 30, 1999, was R\$144.5 million (US\$81.7 million). Of this total, R\$127.4 million (US\$72.7 million) is denominated in US dollars, with R\$76.9 million (US\$43.5 million) maturing in 1999. The exchange rate at June 30, 1999, which was used to convert the US dollar debt into reais, was RS\$1.7695 to US\$1.00. The exchange rate at August 9, 1999, was R\$1.84.

The consolidated bad debt provision amounted to R\$16.3 million (US\$9.2 million), representing 12.6% of the accounts receivable at June 30, 1999, compared to 18% at June 30, 1998.

Capital Expenditures

During the second quarter of 1999, Tele Nordeste and its subsidiaries' invested R\$45.6 million (US\$25.8 million), totaling R\$63.6 million (US\$35.9 million) for the first half of the year. The investments were mainly on network digitalization and the implementation of a billing system, a customers' service system and the SAP R/3 management system. The Company has already committed more than 80% of its investment program budget for 1999 and the projects are on schedule for completion by year-end.

Human Resources

The number of employees at June 30, 1999 totaled 1,177, including full-time, interns and temporary employees.

Y2K

Tele Nordeste has been working on assuring its systems are Year 2000 compliant since June 1998. In this regard, it appointed an in-house team as well as a consulting firm, Potenza, specialized in Information Technology to meet this goal. To date, TND has acquired new management systems, such as SAP R/3 and a "Billing System" which are state-of-the-art systems that will replace the current systems and are already Y2K compliant.

The Company is also developing a contingency plan aimed at finding solutions to any unforeseeable disruptions that may arise in the year 2000. This plan focuses on all of its information systems and network.

Additionally, Tele Nordeste's subsidiaries use Tele Norte Leste Participações subsidiaries' computer systems, which, according to Tele Norte Leste Participações have been Year 2000 compliant since June 30, 1999. Also TND does not foresee any problems with its suppliers regarding Y2K.

The total amount spent by Tele Nordeste and its subsidiaries to assure the electronic systems are compliant and can process dates beyond 1999 amounted to R\$379,000 (US\$214,000). Investments in new systems are estimated at R\$64.8 million (US\$36.6 million).

Full compliance is expected by September 1999.

A full report has been filed with SEC (and with CVM in Brazil), which can be obtained through Ms. Fabíola Almeida and Ms. Isabel Vieira.

*****Tables to Follow*****