

BRASIL TELECOM SA
Form 6-K
October 23, 2009

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 OF THE

SECURITIES EXCHANGE ACT OF 1934

For the month of October 2009

(Commission File No. 1-15256)

BRASIL TELECOM S.A.

(Exact name of Registrant as specified in its Charter)

BRAZIL TELECOM COMPANY

(Translation of Registrant's name into English)

SIA Sul, Área de Serviços Públicos, Lote D, Bloco B

Brasília, D.F., 71.215-000

Federative Republic of Brazil

(Address of Registrant's principal executive offices)

Edgar Filing: BRASIL TELECOM SA - Form 6-K

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 if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(1) .

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(7) .

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

If Yes is marked, indicate below the file number assigned to the
registrant in connection with Rule 12g3-2(b):

UPCOMING EVENTS: CONFERENCE CALLS

PORTUGUESE

DATE: Friday, October 23, 2009

11:00am (Rio) - 9:00am (NY)

ACCESS: Phone: (55 11) 4688-6361

Code: Oi

Replay: (55 11) 4688-6312

Available until October 29, 2009

Code: 912

WEBCAST: [Click here](#)

A complementary presentation will be available before the start of the conference call at <http://www.oi.com.br/ir>

CONTENTS

| | | |
|----------|---|-----------|
| 1 | HIGHLIGHTS IN 3Q09 | 4 |
| 2 | CONSOLIDATED OPERATING PERFORMANCE | 5 |
| 3 | CONSOLIDATED FINANCIAL RESULTS | 7 |
| 4 | DEBT AND CAPITAL EXPENDITURE | 15 |
| 5 | ADDITIONAL INFORMATION | 18 |
| 6 | FINANCIAL STATEMENTS | 25 |

Tele Norte Leste Participações

Telemar Norte Leste

Edgar Filing: BRASIL TELECOM SA - Form 6-K

Outstanding shares (000): 382,456

Outstanding shares (000): 238,391

TNLP3: R\$40.00

TMAR3: R\$61.55

TNLP4: R\$33.50

TMAR5: R\$58.19

TNE: US\$18.79 ADR

TMAR6: R\$45.55

Market Capitalization (Million): R\$13,642, US\$7,672

Market Capitalization (Million): R\$14,218 US\$7,996

Brasil Telecom Participações

Brasil Telecom

Outstanding shares (000): 362,488

Outstanding shares (000): 547,719

BRTP3: R\$32.68

BRTO3: R\$28.00

BRTP4: R\$18.90

BRTO4: R\$15.68

BRP: US\$53.30 ADR

BTM: US\$26.32 ADR

Market Capitalization (Million): R\$8,678, US\$4,880

Market Capitalization (Million): R\$11,663 US\$6,559

Notes: (1) Prices at the end of 3Q09; (2) Outstanding ex-treasury shares; (3) Market Value based on unadjusted shares.

10/22/2009

www.oi.com.br/ir

1

Rio de Janeiro, October 22, 2009. Tele Norte Leste Participações S.A. (Bovespa: TNLP4 and TNLP3), Telemar Norte Leste S.A. (Bovespa: TMAR3, TMAR5 and TMAR6) and Brasil Telecom S.A. (Bovespa: BRTO3 and BRTO4) are pleased to announce their results for the third quarter of 2009. This report contains the consolidated data of Tele Norte Leste Participações and its direct and indirect subsidiaries as of September 30, 2009. To better understand the results and to offer a adequate comparison with past performance, we present the pro-forma 3Q08 consolidated figures for TNLP (Oi) and Brasil Telecom Participações S.A. (BrTP).

Message to our Shareholders:

During the third quarter of 2009, two additional stages in the integration process of Brasil Telecom and Oi were concluded.

At the end of July, BrTP and BrTO incorporated several intermediate holding companies and others SPCs, created to acquire Brasil Telecom, thus partially simplifying the organization's corporate structure. BrTP incorporated Invitel, Solpar and Copart I; and BrTO incorporated Copart 2.

On September 30, the Extraordinary General Meeting approved the incorporation of BrTP into BrTO. As a result, remaining shareholders of BrTP will have their shares converted into BrTO shares (the expectation is to occur by the end of November).

As per the integration of the operations, both companies had improvements during the quarter.

In the Engineering and Network areas, the development, planning and operations are already integrated, following the creation of the Engineering and Operations Department. In addition, a model for internal plant service by just one supplier has already been implemented in Regions I and III.

Both initiatives, combined with the consolidation of a single NOC (Network Operating Center) that brings together an integrated view and management of the new Oi's network, aims to provide better quality for clients in terms of network availability and production of voice and data services.

From a market standpoint, sales of wireless services in Region II are already based on the portfolio available also for Regions I and III, thought totally unified. Also, a single sales and service operations model for Oi is under implementation. The main actions concerning this area are:

In the retail market, the distribution model in Region II was restructured, and now focuses on small-scale retail (newsstands, pharmacies, etc.) with exclusive distributors, ensuring greater efficiency for the channel. This action was followed by the expansion of virtual recharge (over the air) through the launch of Oi PDV (Oi Points of Sale).

In the large-scale retail channel (regional and nationwide retail networks), where products are offered through salesclerks, handsets unlocking related actions were intensified and focused on greater flow generation to shops.

As far as customer care is concerned, we are investing in the development of a specific channel to post-sales activities and regulatory commitments, the so-called Oi Atende , which already exists in Region I.

As the new portfolio for wireline services is launched, door-to-door sales channels are being structured in order to attract lower-income customers.

Brasil Telecom owned stores are on the way to adopting Oi's franchise model to standardize this channel, in order to improve sales and the quality of client relationships. New franchises are also being opened to increase coverage.

In the authorized agents network, a few changes were made and the channel's focus was redirected to post-paid plans, given that prepaid sales are being absorbed by the small-scale retail.

The channels that cater to the business market are changing, thus aiming at different and more directed client profiles. This will ensure better portfolio coverage through an increase in the number of salespeople.

In the corporate segment, nationwide coverage is being consolidated, thus ensuring leadership in this segment. Also, sales and service processes to these customers are being reviewed.

10/22/2009

www.oi.com.br/ir

3

1) **HIGHLIGHTS IN 3Q09:**

Revenue Generating Units (RGUs) totaled 60.5 million at the end of September 2009, amounting 651 thousand new users in the quarter and more than 7.5 million customers since 3Q08.

Oi Mobile continued to be the main driver of growth, adding 886 thousand new customers in 3Q09 and 7.7 million since September 2008, mainly due to the performance in São Paulo, where Oi's market share exceeds 10%. With almost 1.5 million mobile users, Oi Conta Total already represents 37% of the post-paid customers in region I.

Broadband internet users added 4.5 million, of whom 4.1 million are via fixed technology (ADSL + cable) and about 405 thousand are mobile (mini-modems + data plans).

Consolidated Gross Revenue amounted to R\$11.6 billion, 3.7% and 3.6% above 2Q09 and 3Q08, respectively, mainly due to higher revenues in the mobile segment and data communication service. We also highlight the expansion of revenues from network usage in the quarter.

Consolidated recurring EBITDA of R\$2.65 billion represents a 35.1% margin, 1.6 p.p. and 0.8 p.p. above 2Q09 and 3Q08, respectively. Even though the operation in São Paulo has yet to break even, after 11 months of its launch its additional negative impact on EBITDA was relatively low in 3Q09 (some costs were already present in 3Q08).

Consolidated net earnings of R\$64 million in the quarter reverted the loss recorded in the prior quarter, even with a continued tax distortion resulting from the permanence of goodwill for the acquisition of Brasil Telecom Participações in the holding company. This will no longer exist at the start of 4Q09, when the operational company BrTO will have incorporated this goodwill.

Net debt of R\$21.1 billion in September 2009 (2.1x 12-month recurring EBITDA), a reduction in the quarter even after interest on capital payments by BrTP and BrTO.

Table 1 Consolidated Financial Indicators

| TNL Consolidated - R\$ million | Quarter | | | | | 9M | | |
|--------------------------------|--------------------|--------|--------|-----------|-----------|--------------------|--------|-----------|
| | 3Q08 Pro forma* | 2Q09 | 3Q09 | QoQ | YoY | 9M08 Pro forma* | 9M09 | YoY |
| Net Revenue | 7,572 | 7,302 | 7,553 | 3.4% | -0.3% | 22,281 | 22,343 | 0.3% |
| EBITDA | 2,577 | 2,323 | 2,360 | 1.6% | -8.4% | 7,596 | 6,875 | -9.5% |
| EBITDA Margin (%) | 34.0% | 31.8% | 31.3% | -0.5 p.p. | -2.7 p.p. | 34.1% | 30.8% | -3.3 p.p. |
| Recurring EBITDA | 2,597 | 2,449 | 2,650 | 8.2% | 2.0% | 7,804 | 7,476 | -4.2% |
| Recurring EBITDA Margin (%) | 34.3% | 33.5% | 35.1% | 1.6 p.p. | 0.8 p.p. | 35.0% | 33.5% | -1.5 p.p. |
| Net Earnings | 222 | -146 | 64 | | -71.2% | 1,074 | -71 | |
| Net Debt | 11,412 | 21,638 | 21,143 | -2.3% | 85.3% | 11,412 | 21,143 | 85.3% |
| Available Cash | 11,693 | 7,968 | 7,409 | -7.0% | -36.6% | 11,693 | 7,409 | -36.6% |
| CAPEX | 1,802 | 940 | 1,345 | 43.1% | -25.4% | 5,207 | 3,190 | -38.7% |
| Net Debt / Adjusted EBITDA | 1.1 | 2.2 | 2.1 | -4.5% | 90.9% | 1.1 | 2.1 | 90.9% |

| TMAR Consolidated - R\$ million | Quarter | | | | | 9M | | |
|---------------------------------|--------------------|-------|-------|-----------|-----------|--------------------|--------|-----------|
| | 3Q08 Pro forma* | 2Q09 | 3Q09 | QoQ | YoY | 9M08 Pro forma* | 9M09 | YoY |
| Net Revenue | 7,555 | 7,284 | 7,536 | 3.5% | -0.3% | 22,226 | 22,290 | 0.3% |
| EBITDA | 2,575 | 2,333 | 2,372 | 1.7% | -7.9% | 7,631 | 6,910 | -9.4% |
| EBITDA Margin (%) | 34.1% | 32.0% | 31.5% | -0.5 p.p. | -2.6 p.p. | 34.3% | 31.0% | -3.3 p.p. |
| Recurring EBITDA | 2,595 | 2,459 | 2,662 | 8.3% | 2.6% | 7,839 | 7,511 | -4.2% |
| Recurring EBITDA Margin (%) | 34.4% | 33.8% | 35.3% | 1.5 p.p. | 0.9 p.p. | 35.3% | 33.7% | -1.6 p.p. |
| Net Earnings | 384 | -178 | 66 | | -82.8% | 1,427 | -110 | |

| BRTO Consolidated - R\$ million | Quarter | | | | | 9M | | |
|---------------------------------|---------|--------|-------|-----------|----------|-------|-------|------------|
| | 3Q08 | 2Q09 | 3Q09 | QoQ | YoY | 9M08 | 9M09 | YoY |
| Net Revenue | 2,899 | 2,683 | 2,734 | 1.9% | -5.7% | 8,635 | 8,222 | -4.8% |
| EBITDA | 997 | -571 | 1,003 | | 0.6% | 3,069 | 901 | -70.6% |
| EBITDA Margin (%) | 34.4% | -21.3% | 36.7% | | 2.3 p.p. | 35.5% | 11.0% | -24.5 p.p. |
| Recurring EBITDA | 997 | 1,033 | 1,003 | -2.9% | 0.6% | 2,924 | 2,954 | 1.0% |
| Recurring EBITDA Margin (%) | 34.4% | 38.5% | 36.7% | -1.8 p.p. | 2.3 p.p. | 33.9% | 35.9% | 2.0 p.p. |
| Net Earnings | 210 | -722 | 259 | | 23.3% | 855 | -543 | |

* The pro-forma consolidation was made from Invitel consolidated, the parent company of Brasil Telecom Participações.

2) CONSOLIDATED OPERATING PERFORMANCE:

We hereby present the pro-forma consolidated information for 3Q08, considering the acquisition of BrTP, taken place in January 2009, for a better understanding of the results.

At the end of September 2009, the company had 60.5 million Revenue Generating Units (RGUs), 1.1% growth in the quarter and 14.2% when compared with 3Q08, once again influenced by the expansion of the mobile user base and by broadband internet access.

Wireline Oi Fixed

The number of fixed lines in service fell quarter-over-quarter and year-over-year. It is important to note that in this quarter the company cleaned up its fixed prepaid base in Region II, as well as some other fixed access connected to the old Pluri plans at Brasil Telecom.

In order to retain clients, the company offered convergent products (Oi Conta Total , this applies only to Region I) and alternative plans. For now. At the end of 3Q09, alternative plans reached 11,609 thousand users, or 54.1% of all fixed lines in service (52.1% in 2Q09). We started a new offer during the quarter with discounts entailing the new TV subscription service through DTH technology (Direct to the Home) for clients who have fixed lines.

FIXED Broadband FIXED AND MOBILE

The fixed broadband user base service rose in the quarter by 76 thousand customers, ending 3Q09 with 4,142 thousand users, growing 1.9% compared with 2Q09, and 12.5% compared with 3Q08. In this item, the broadband access in region II was also impacted by the Pluri plans disconnection, mentioned before. ADSL penetration compared with lines in service in 3Q09 reached 19.1% (18.5% in 2Q09).

The addition of the broadband service (3G), an alternative to fixed broadband, tallied 78 thousand new clients in the quarter, totaling 405 thousand users at the end of 3Q09, including mini-modem and data plans.

New broadband customers totaled 154 thousand in the quarter, with approximately 50% accounting for fixed technology and the other half for mobile technology.

At the end of the quarter, the company launched a new Ultra High-Speed Fixed Broadband portfolio with Internet access that can be as fast as 100 Mb/s. This offer began in the metropolitan region of Recife and by the end of the year it will be expanded to other states in Regions I and II, where demand for this service exists.

Wireless Oi Mobile

The wireless base ended the quarter with 34.8 million customers, accounting for 57.6% of all revenue generating units. In the last 12 months, this base grew by 7,705 thousand customers, of which 4,446 thousand are in Region III (SP), where operations began at the end of October/08, and 3,259 thousand from organic growth in regions I and II (+12.0%).

Prepaid users rose 2.4% in the quarter and 28.9% since 3Q08, mostly influenced by the Oi Ligadores campaign. The launch of the Oi Cartão prepaid offer in Region II in May 2009 contributed positively to the addition of 134 thousand users in the quarter. It accounted for 19.2% of net additions in Region II.

The post-paid user base grew 165 thousand in the quarter and 1,058 thousand from 3Q08, ending September 2009 with 4,185 thousand users, representing 12.0% of the total mobile users. The Oi Conta Total plan, with 1,448 thousand mobile customers (713 thousand plans), already amounts to 37% of the post-paid base (31% in 2Q09) in Region I, the only area where it is available.

In this quarter we started to separately report the client base in Planos Controle , where we included post-paid control and the recently-launched prepaid control . For the prepaid control plan, no bill is sent to the client on a monthly basis; the client authorizes a monthly charge in the amount of his/her plan on a credit card, which defines a recurring revenue just like a post-paid plan. Oi Controle sales have been improving since the launch of this new plan, and we ended the quarter with about 1.4 million clients, in a 7.7% growth since 3Q08 and 1.7% quarter-over-quarter.

Table 2 Consolidated Operational Indicators

| | 3Q08 Pro forma | 2Q09 | 3Q09 | QoQ | YoY |
|---|-------------------|---------------|---------------|-------------|--------------|
| Wireline Services - Oi Fixo | | | | | |
| (a) Lines in Service (000) | 22,104 | 21,753 | 21,442 | -1.4% | -3.0% |
| Residential | 15,854 | 15,459 | 15,272 | -1.2% | -3.7% |
| Commercial | 5,394 | 5,442 | 5,317 | -2.3% | -1.4% |
| Public Telephones | 856 | 852 | 853 | 0.1% | -0.4% |
| Alternatives Plans (000)* | 10,034 | 11,332 | 11,609 | 2.4% | 15.7% |
| Proportion of Lines in Service (%) | 45.4% | 52.1% | 53.7% | 1.6 p.p. | 8.3 p.p. |
| ARPU Oi Fixo (R\$) | 61.8 | 57.3 | 58.4 | 1.9% | -5.5% |
| Broadband Services - Oi Velox | | | | | |
| (b) Broadband Subscribers (000) | 3,680 | 4,066 | 4,142 | 1.9% | 12.5% |
| Proportion of Lines in Service (%) | 16.4% | 18.5% | 19.1% | 0.6 p.p. | 2.7 p.p. |
| ARPU Broadband (R\$) | 48.3 | 43.1 | 43.8 | 1.6% | -9.3% |
| Wireless Services - Oi Móvel | | | | | |
| (c) Mobile Subscribers (000) | 27,113 | 33,932 | 34,818 | 2.6% | 28.4% |
| Pre-Paid Plans | 22,692 | 28,540 | 29,239 | 2.4% | 28.9% |
| Post-Paid Plans | 3,127 | 4,020 | 4,185 | 4.1% | 33.8% |
| Oi Controle | 1,294 | 1,371 | 1,394 | 1.7% | 7.7% |
| Oi Conta Total (000) | 917 | 1,276 | 1,448** | 13.5% | 57.9% |
| Market Share Oi (%) - Brazil | 19.3% | 21.3% | 21.0% | -0.3 p.p. | 1.7 p.p. |
| Proportion of Net Additions in Brazil (%) | 23.6% | 35.3% | 13.6% | -21.7 p.p. | -10.0 p.p. |
| Monthly Churn rate (%) | 2.8% | 3.5% | 3.8% | 0.3 p.p. | 1.0 p.p. |
| ARPU Oi Móvel (R\$) | 24.8 | 21.0 | 22.2 | 5.7% | -10.5% |
| Vídeo - Oi TV | | | | | |
| (d) Pay TV Subscribers (000) | 60 | 62 | 62 | 0.0% | 3.3% |
| RGU - Revenue Generating Unit (a+b+c+d) (000) | 52,958 | 59,813 | 60,464 | 1.1% | 14.2% |

* Alternative plans include Planos de Minutos , Plano Economia , Digitronco , PABX Virtual and others.

** Includes Oi Conta Total Professional

3) CONSOLIDATED FINANCIAL RESULTS:

3.1) Revenue:

Consolidated gross revenue ended 3Q09 at R\$11,597 million, 3.7% and 3.6% above the previous quarter and 3Q08, respectively. The result in 3Q09 was influenced by an increase in wireless revenue, which grew 14.8% and 8.2% year-over-year and quarter-over-quarter, respectively. In addition, in wireline we highlight the increase in annual revenue from data services , additional services and advanced voice . Revenue from network usage deserves highlight compared to the previous quarter.

Revenue from data communication services (which includes broadband service) and wireless services account for 40.9% of the total consolidated gross revenue in the quarter (39.9% in 2Q09).

Table 3 Breakdown of Consolidated Gross Revenue

| R\$ million | 3Q08 | | Quarter | | QoQ (%) | YoY (%) | 9M | | % | |
|--|---------------|---------------|---------------|----------------|--------------|---------------|---------------|--------------|----------------|-------------|
| | Pro forma | 2Q09 | 3Q09 | 9M08 Pro forma | | | 9M09 | YoY (%) | 9M08 Pro forma | 9M09 |
| Wireline | 8,973 | 8,830 | 9,049 | 2.5 | 0.8 | 26,419 | 26,851 | 1.6 | 81.3 | 78.9 |
| Local (exc. - VC1) | 3,371 | 3,278 | 3,279 | 0.0 | -2.7 | 9,980 | 9,846 | -1.3 | 30.7 | 28.9 |
| Local Fixed-to-Mobile (VC1) | 1,214 | 1,129 | 1,149 | 1.8 | -5.4 | 3,485 | 3,430 | -1.6 | 10.7 | 10.1 |
| Long Distance FF + PCS* | 1,219 | 1,141 | 1,192 | 4.5 | -2.2 | 3,772 | 3,554 | -5.8 | 11.6 | 10.4 |
| LD Fixed-to-Mobile (VC2/3)* | 390 | 349 | 367 | 5.2 | -5.9 | 1,135 | 1,095 | -3.5 | 3.5 | 3.2 |
| Network Usage | 279 | 192 | 233 | 21.4 | -16.5 | 728 | 655 | -10.0 | 2.2 | 1.9 |
| Data | 1,884 | 2,114 | 2,199 | 4.0 | 16.7 | 5,330 | 6,392 | 19.9 | 16.4 | 18.8 |
| Public Phones | 248 | 250 | 236 | -5.6 | -4.8 | 863 | 735 | -14.8 | 2.7 | 2.2 |
| Additional Services / Advanced Voice / Other | 368 | 377 | 394 | 4.5 | 7.1 | 1,127 | 1,144 | 1.5 | 3.5 | 3.4 |
| Wireless | 2,220 | 2,354 | 2,548 | 8.2 | 14.8 | 6,073 | 7,171 | 18.1 | 18.7 | 21.1 |
| Services | 2,110 | 2,254 | 2,466 | 9.4 | 16.9 | 5,764 | 6,900 | 19.7 | 17.7 | 20.3 |
| Subscriptions | 466 | 542 | 589 | 8.7 | 26.4 | 1,288 | 1,665 | 29.3 | 4.0 | 4.9 |
| Outgoing Calls | 904 | 885 | 932 | 5.3 | 3.1 | 2,381 | 2,680 | 12.6 | 7.3 | 7.9 |
| Domestic/Inter. Roaming | 36 | 27 | 30 | 11.1 | -16.7 | 117 | 92 | -21.4 | 0.4 | 0.3 |
| Network Usage | 522 | 566 | 619 | 9.4 | 18.6 | 1,492 | 1,701 | 14.0 | 4.6 | 5.0 |
| Data / Value Added | 182 | 234 | 296 | 26.5 | 62.6 | 486 | 763 | 57.0 | 1.5 | 2.2 |
| Handset SAMes | 110 | 100 | 82 | -18.0 | -25.5 | 309 | 272 | -12.0 | 1.0 | 0.8 |
| Wireline - Gross | 8,973 | 8,830 | 9,049 | 2.5 | 0.8 | 26,419 | 26,851 | 1.6 | 81.3 | 78.9 |
| Wireless - Gross | 2,220 | 2,354 | 2,548 | 8.2 | 14.8 | 6,073 | 7,171 | 18.1 | 18.7 | 21.1 |
| Total Gross Revenue | 11,193 | 11,184 | 11,597 | 3.7 | 3.6 | 32,492 | 34,022 | 4.7 | 100 | 100 |
| Total Net Revenue | 7,572 | 7,302 | 7,553 | 3.4 | -0.3 | 22,281 | 22,343 | 0.3 | 100 | 100 |
| Wireline - Net | 6,143 | 5,732 | 5,881 | 2.6 | -4.3 | 18,299 | 17,634 | -3.6 | 82.1 | 78.9 |
| Wireless - Net | 1,429 | 1,570 | 1,672 | 6.5 | 17.0 | 3,982 | 4,708 | 18.2 | 17.9 | 21.1 |

Wireline Services:

Gross revenue from wireline services was 2.5% higher than in 2Q09. Except for revenues from public telephones, all other items grew. We highlight the increase in revenues from network usage, data communication and long-distance services (those originated both in fixed and mobile terminals).

Compared with 3Q08, revenue remained stable due to growth in data revenues, which more than offset the reduction in local fixed and long distance services, and network usage.

Local Service:**Fixed-to-Fixed**

(subscription, traffic, connection fee)

Revenues from fixed-to-fixed local service were stable compared with 2Q09. Compared with 3Q08, greater minute packages through alternative plans helped to partially offset the revenue reduction due to the 3.0% reduction in fixed lines in service. The 0.98% tariff readjustment did not have much influence on the results this quarter as it only started in mid-September.

Fixed-to-Mobile:

(VC1)

Revenue for this service increased compared with the prior quarter due to the traffic volume in the period. However, when compared with 3Q08 such traffic was lower, reflecting the fixed-to-mobile substitution and a smaller number of lines in service, which impacted the revenue in 5.4%.

Long Distance Services (LD) FF + SMP + VC2 and VC3:

Revenues from long-distance service rose compared with the previous quarter due to higher traffic. However there was a 3.1% reduction year-on-year, mainly influenced by a reduction in SMP revenues. It must be noted that similarly to Region I, in Region II the company decided not to be part of voice portal business, which we consider to be unattractive. Lower long-distance revenues are a direct consequence stemming from this decision.

Remuneration for Network Usage:

After deducting R\$114 million from intercompany transactions, fixed network usage revenues climbed by R\$41 million in 3Q09. During the second quarter, most mobile operators launched again the offer to include calls to fixed terminals as bonuses to clients. However, this was not enough to reverse the annual trend. Year-over-year, the reduction in traffic is still explaining much of the falling revenue from this service, in 16.5%.

Data Communication Services:

The highlight for data revenue was the Oi Velox ADSL service, with a positive impact of R\$ 78 million compared with 2Q09 and R\$297 million compared with 3Q08. In both periods, the performance was boosted by growth in the ADSL user base, which expanded 12.7% in 12 months.

Wireless Segment:

Gross revenue from wireless services rose R\$194 million in the quarter and R\$328 million year-over-year. The following factors influenced this result:

Growth in the average user base, as well as greater minute packages in the post-paid segment, increasing subscription revenue quarter-over-quarter and year-over-year;

Expansion of the prepaid client base quarter-over-quarter and year-over-year, leading to a growth in outgoing calls revenue. The Oi Ligadores campaign in Region II, which started in May through the offer Oi Cartão Total, represented 19.2% of prepaid net additions in the quarter;

Larger average total user base, increasing consolidated revenue from mobile network usage, which totaled R\$619 million in 3Q09, after a R\$652 million in intercompany deduction. In addition, this item was indirectly benefited by the inclusion of calls to fixed lines in the bonuses of the mobile companies, as the clients has money left for additional calls to the other mobile companies;

Revenues from data/value added services rose 26.5% quarter-over-quarter and 62.6% year-over-year, due to a larger average customer base, which led to an increase in revenue from 3G data service subscription and SMS service (prepaid).

The average ARPU for the wireless segment (R\$22.2) grew 5.7% in the quarter and fell 10.5% compared with 3Q08. The quarterly rise bears evidence to an increase in the level of recharge credit by prepaid clients, in addition to the positive contribution of 3G clients to the post-paid ARPU.

3.2) Operating Expenses:

Operating expenses in the quarter (excluding depreciation/amortization) were R\$214 million and R\$198 million higher than in 2Q09 and in 3Q08, respectively. Compared with 2Q09, the rise was mostly due to other operating expenses and personnel, which were partially offset by a reduction in interconnection costs, provision for bad debts, handset costs and marketing. In addition, expenses were also affected by an increase in spending on third-party services and in rent and insurance when compared with 3Q08.

It must be noted that once again, it is difficult to compare this quarter to the 3Q08 due to non-recurring expenses both periods, and by non-comparable expenses that were only partially present in 3Q08.

In 3Q09, non-recurring costs amounted to R\$290 million and relate to: (i) spending on consulting for the acquisition / incorporation of Brasil Telecom, (ii) the end of the deferral of subsidies on post-paid handsets (non-cash, as detailed in the item Handset Costs and Other COGS), (iii) various expenses linked to the integration of Oi and BrT, as well as (iv) expenses related to writing down bad assets handsets also non-cash, as detailed in the item Other Operating Expenses (Income).

Non-comparable costs in 3Q09, which were only partially present in 3Q08, totaled R\$203 million in 3Q09, and mainly reflect the start-up of mobile operations in São Paulo. It is worth highlighting that marketing costs in São Paulo were already present in 3Q08 even, in the pre-operational stage, while other costs were deferred.

Table 4 Breakdown of Operating Expenses

| Item - R\$ million | 3Q08 | | Quarter | | QoQ (%) | YoY (%) | 9M | | YoY (%) |
|---|--------------|--------------|--------------|----------------|------------|---------------|---------------|------------|---------|
| | Pro forma* | 2Q09 | 3Q09 | 9M08 Pro forma | | | 9M09 | | |
| Interconnection | 1,379 | 1,320 | 1,278 | -3.2 | -7.3 | 4,099 | 3,920 | -4.4 | |
| Personnel | 467 | 476 | 516 | 8.4 | 10.5 | 1,270 | 1,460 | 15.0 | |
| Materials | 83 | 116 | 108 | -6.9 | 30.1 | 281 | 321 | 14.2 | |
| Handset Costs/Other (COGS) | 114 | 150 | 120 | -20.0 | 5.3 | 341 | 464 | 36.1 | |
| Third-Party Services | 1,658 | 1,770 | 1,787 | 1.0 | 7.8 | 4,766 | 5,302 | 11.2 | |
| Marketing | 200 | 153 | 137 | -10.5 | -31.5 | 488 | 419 | -14.1 | |
| Rent and Insurance | 316 | 394 | 401 | 1.8 | 26.9 | 943 | 1,184 | 25.6 | |
| Provision for Bad Debts | 294 | 377 | 254 | -32.6 | -13.6 | 958 | 1,030 | 7.5 | |
| Other Operating Expenses (Revenue), Net | 485 | 221 | 592 | 167.9 | 22.1 | 1,541 | 1,366 | -11.4 | |
| TOTAL | 4,995 | 4,979 | 5,193 | 4.3 | 4.0 | 14,685 | 15,468 | 5.3 | |

* The pro-forma consolidation was made from Invitel consolidated, the parent company of Brasil Telecom Participações.

Interconnection:

Interconnection consolidated costs fell quarter-on-quarter and year-on-year, mainly because of a decrease in outgoing traffic, given the higher market share for mobile services, as well as the positive impact due to the favorable renegotiation with other companies related to interconnection expenses.

It is also worth highlighting that this item is already benefiting from the integration with BrT, bringing home transactions that were previously made with other companies.

Personnel:

The increase in personnel expenses year-over-year and quarter-over-quarter reflect the administrative restructuring, a result of the integration between Oi and Brasil Telecom. In addition, the increase stems from a wage readjustment at the end of last year, and from a higher number of employees, mainly at BrT's call center. It must be noted that the quarter-over-quarter increase was influenced by costs related to a program to encourage the retirement of employees who have worked at the company for more than 20 years.

Handset Costs and Others (COGS):

COGS was impacted by a non-cash cost stemming from the amortization of subsidies on post-paid handsets that until the end of 2008 used to be deferred. The subsidy on post-paid handsets sold in the retail segment was deferred at an average unit cost of R\$300, given the possibility of charging a penalty to customers due to early cancellation or migration to a prepaid plan. This subsidy was amortized in 12 months. Currently, only post-paid handsets sold in the corporate segment follow this procedure.

However, on a quarter-over-quarter basis, the impact on the amortization of deferred assets was smaller. In addition, handset costs fell by R\$30 million, mainly in region II, resulting from the replication of the Region I's naked sim-card strategy in the prepaid segment to reduce the customer acquisition cost.

Third-Party Services:

There was a R\$17 million increase in spending on third-party services in the quarter and a R\$129 million rise compared with 3Q08. Quarter-over-quarter, the increase is justified by a higher commissions to stimulate sales, postage and data processing expenses, which was partially compensated by a reduction in legal counseling spending.

Compared with 3Q08, call center spending rose (Regions I and III), partially as a result of the São Paulo startup and the adaptation of services to the new call center legislation, in addition to commissions linked mainly to growth in sales of Oi Velox and Oi Conta Total and higher expenses in data processing, with renewal of software contracts.

Marketing:

Marketing spending fell by R\$16 million quarter-over-quarter and R\$63 million compared with 3Q08, mainly due to synergies by the acquisition of BrT.

Provisions for Bad Debts:

Provisions for bad debts fell by 32.6% in the quarter mainly because of an improvement seen in the fixed segment in region II. The reduction was 13.6% year-over-year, due to more efficient management of billing.

The provision made in the quarter amounts to 2.2% of gross revenue, from 3.4% in 2Q09 and 2.6% in 3Q08.

Other Operating Expenses (Income):

Other operating expenses rose R\$371 million quarter-on-quarter and R\$107 million since 3Q08.

The change during the quarter mainly stems from: (i) provisions for legal contingencies (R\$115 million), (ii) provisions for profit sharing (R\$79 million), which rose due to the partial reversal seen in the previous quarter, in addition to (iii) non-recurring expenses (non-cash) of R\$152 million in written down assets.

The change from 3Q08 is a result of the non-recurring expenses explained above, which were partially compensated by a reduction in provisions for legal contingencies.

3.3) Other Items in the Consolidated Result:**EBITDA:****Table 5 Recurring EBITDA and Recurring EBITDA Margin**

| | Quarter | | | QoQ | YoY | 9M | | |
|--------------------------|--------------------------------|-------------------|-------------------|-----------|----------|--------------------------------|-------------------|-----------|
| | Recurring 3Q08 Pro forma | Recurring 2Q09 | Recurring 3Q09 | | | Recurring 9M08 Pro forma | Recurring 9M09 | YoY |
| TNL Consolidated | | | | | | | | |
| EBITDA (R\$ Mn) | 2,597 | 2,449 | 2,650 | 8.2% | 2.0% | 7,804 | 7,476 | -4.2% |
| Margin % | 34.3% | 33.5% | 35.1% | 1.6 p.p. | 0.8 p.p. | 35.0% | 33.5% | -1.5 p.p. |
| TMAR Consolidated | | | | | | | | |
| EBITDA (R\$ Mn) | 2,595 | 2,459 | 2,662 | 8.3% | 2.6% | 7,839 | 7,511 | -4.2% |
| Margin % | 34.4% | 33.8% | 35.3% | 1.5 p.p. | 0.9 p.p. | 35.3% | 33.7% | -1.6 p.p. |
| BrTO Consolidated | | | | | | | | |
| EBITDA (R\$ Mn) | 997 | 1,033 | 1,003 | -2.9% | 0.6% | 2,924 | 2,954 | 1.0% |
| Margin % | 34.4% | 38.5% | 36.7% | -1.8 p.p. | 2.3 p.p. | 33.9% | 35.9% | 2.0 p.p. |

* The pro-forma consolidation was made from Invitel consolidated, the parent company of Brasil Telecom Participações. Consolidated recurring EBITDA, which excludes non-recurring expenses in the operating expenses item, rose 8.2% and 2.0% compared with 2Q09 and 3Q08, respectively, totaling R\$2,650 million. Recurring margin (35.1%) rose 1.6 p.p. in the quarter and 0.8 p.p. year-over-year.

TNL PCS (Oi Mobile) had a R\$610 million EBITDA, a 53.1% growth compared with the previous quarter. Compared with 3Q08, growth hit R\$174 million (40.0%), even including non-recurring items (non cash) of R\$44 million stemming from the end of the handset subsidies deferral, which resulted from an increase in revenue from the expansion of the user base. Year to date, the end of the post-paid handsets subsidy deferral had an impact of R\$195 million on EBITDA.

Net Financial Income (Expenses):

Consolidated net financial expenses amounted to R\$537 million in 3Q09, or R\$41 million above the previous quarter. However, it fell by R\$13.1% compared with 3Q08. In the quarter, growth was mainly influenced by higher spending on monetary restatements for contingencies (+R\$48 million).

Compared with 3Q08, the R\$81 million reduction in net financial expenses was due to:

Smaller net foreign exchange losses as the Real rose against the U.S. dollar (8.9%) in 3Q09. It must be remembered that during 3Q08 the Real fell 20.3% against the dollar;

Reduction in revenues from financial investments due to a smaller investment volume;

Increase in interest-related expenses due to a higher average debt volume.

Table 6 Net Financial Income (Expenses)

| R\$ Million | Quarter | | | 9M | |
|--|-------------------|--------------|--------------|-------------------|----------------|
| | 3Q08 Pro forma | 2Q09 | 3Q09 | 9M08 Pro forma | 9M09 |
| Financial Income | 597 | 455 | 355 | 1,489 | 1,217 |
| Interest on financial investments | 348 | 206 | 188 | 833 | 599 |
| Other financial income | 249 | 248 | 167 | 656 | 618 |
| Financial Expenses | (1,215) | (951) | (892) | (2,344) | (2,880) |
| Interest on loans and financing | (543) | (650) | (559) | (1,139) | (1,834) |
| Foreign exchange effect on loans and financing** | (400) | 10 | (8) | (416) | (83) |
| Other Financial Expenses | (271) | (310) | (325) | (789) | (963) |
| Net Financial Income (Expenses) | (618) | (496) | (537) | (855) | (1,663) |

* The pro-forma consolidation was made from Invitel consolidated, the parent company of Brasil Telecom Participações.

** Net of the hedging results

Depreciation/Amortization:

Depreciation and amortization had a stable performance in the quarter and rose 18.7% compared with 3Q08.

In the wireline segment, annual growth was due to the amortization/depreciation of goodwill paid in the acquisition of BrT (January 2009), which is based on a surplus of fixed assets and on the right to STFC concession services.

In the wireless segment, the 18.6% increase over 3Q08 reflects higher investments since 2008 related to the startup in São Paulo.

Table 7 Depreciation and Amortization

| R\$ million | 3Q08 | Quarter | | | YoY | 9M08 | 9M | YoY |
|-------------------------------|--------------|--------------|--------------|-------------|-------------|--------------|--------------|-------------|
| | Pro-forma* | 2Q09 | 3Q09 | QoQ(%) | (%) | Pro forma | 9M09 | (%) |
| Fixed Line / TNL | 895 | 1,073 | 1,062 | -1.0 | 18.7 | 2,713 | 3,069 | 13.1 |
| Depreciation | 810 | 855 | 853 | -0.2 | 5.3 | 2,500 | 2,576 | 3.0 |
| Amortization of Goodwill | 85 | 218 | 209 | -4.1 | 145.9 | 213 | 493 | 131.5 |
| Mobile Business | 339 | 379 | 402 | 6.1 | 18.6 | 957 | 1,153 | 20.5 |
| Depreciation | 236 | 301 | 324 | 7.6 | 37.3 | 675 | 918 | 36.0 |
| License/Deferred Amortization | 103 | 78 | 78 | 0.0 | -24.3 | 281 | 235 | -16.4 |
| Total | 1,233 | 1,452 | 1,464 | 0.8 | 18.7 | 3,669 | 4,222 | 15.1 |

* The pro-forma consolidation was made from Invitel consolidated, the parent company of BrTP.

Net Earnings:

The company had net earnings of R\$64 million in 3Q09, reversing the loss recorded in the previous quarter. It should be noted that after the incorporation of Copart 2 by BRTO on July 31, 2009, BRTO could have a tax benefit related to part of the goodwill (R\$738 million), starting in August 2009. In 3Q09, however, the company was not able to have fiscal benefits from the remained part of the fiscal goodwill (R\$8,236 million) that was still at BRTP. The total fiscal benefit related to the goodwill amortization will be possible only in 4Q09, when BRTP is incorporated by BRTO.

Compared with 3Q08, consolidated net earnings fell by R\$158 million, mainly due to a lower EBITDA in the quarter affected by the non-recurring effects mentioned earlier, despite the reduction in net financial expenses.

Table 8 Net Earnings

| TNL | 3Q08 | Quarter | | | 9M |
|--------------------------|-----------|---------|-------|-----------|--------|
| | Pro Forma | 2Q09 | 3Q09 | Pro forma | 9M09 |
| Net Earnings (R\$ Mn) | 222 | -146 | 64 | 1,074 | -71 |
| Net Margin | 2.9% | -2.0% | 0.9% | 4.8% | -0.3% |
| Earnings per Share (R\$) | 0.580 | -0.382 | 0.168 | 2.810 | -0.185 |
| Earnings per ADR (US\$) | 0.348 | -0.184 | 0.090 | 1.657 | -0.065 |
| TMAR | 3Q08 | Quarter | | | 9M08 |
| | Pro Forma | 2Q09 | 3Q09 | Pro forma | 9M09 |
| Net Earnings (R\$ Mn) | 384 | -178 | 66 | 1,427 | -110 |
| Net Margin | 5.1% | -2.4% | 0.9% | 6.4% | -0.5% |
| Earnings per Share (R\$) | 1.610 | -0.745 | 0.276 | 5.985 | -0.459 |
| BrTO | 3Q08 | Quarter | | | 9M08 |
| | Pro Forma | 2Q09 | 3Q09 | Pro forma | 9M09 |
| Net Earnings (R\$ Mn) | 210 | -722 | 259 | 855 | -543 |
| Net Margin | 7.2% | -26.9% | 9.5% | 9.9% | -6.6% |

Edgar Filing: BRASIL TELECOM SA - Form 6-K

* The pro-forma consolidation was made from Invitel consolidated, the parent company of Brasil Telecom Participações.

10/22/2009

www.oi.com.br/ir

14

4) DEBT AND CAPITAL EXPENDITURE:**4.1) Debt:**

Consolidated net debt fell by R\$495 million in 3Q09 and ended the quarter at R\$21,143 million, or 2.1x recurring EBITDA in the last 12 months. This reduction resulted from greater operating generation in the period and the tag along cash saving. Gross debt totaled R\$28,552 million, in September 2009, R\$1,055 million lower than the previous quarter.

Debt borrowed in foreign currencies accounted for 20.1% of total debt contracted at the end of September 2009. However, the company's consolidated exposure to foreign currency was only 1.8% of total gross debt (US\$280 million or R\$497 million) due to hedging operations. We highlight that debt payments through January 2012 are covered by hedging contracts and a cash balance kept in dollars.

The average cost of debt for the third quarter of 2009 equaled 118% of the CDI interbank rate for local currency debt and USD Libor + 4.8% p.a. for debt in foreign currencies. For the quarter, the effective debt cost including hedging operations was 9.50% p.a. (109% of CDI). In the quarter, debt costs were positively affected by the appreciation of the Real against other currencies, which reduced the cost of debt still exposed to foreign exchange fluctuation. The reduction in Brazilian interest rates in 2009 also had a positive impact on lowering the debt cost, provided that much of the debt was linked to floating rates.

Table 9 - Debt - TNL Consolidated*

| R\$ million | Sep/08 | Jun/09 | Sep/09 | % Gross Debt |
|---------------------|----------------|----------------|----------------|---------------|
| Short Term | 2,129 | 6,760 | 9,856 | 34.5% |
| Long Term | 15,634 | 22,847 | 18,696 | 65.5% |
| Total Debt | 17,763 | 29,607 | 28,552 | 100.0% |
| In Local Currency | 13,688 | 23,198 | 22,810 | 79.9% |
| In Foreign Currency | 3,284 | 5,152 | 4,748 | 16.6% |
| Swaps | 791 | 1,256 | 993 | 3.5% |
| (-) Cash | (8,599) | (7,968) | (7,409) | 25.9% |
| (=) Net Debt | 9,164 | 21,638 | 21,143 | 74.1% |

* Data for September 2008 does not include the consolidation of BrT

Table 10 - Debt - TMAR Consolidated*

| R\$ million | Sep/08 | Jun/09 | Sep/09 | % Gross Debt |
|---------------------|---------------|---------------|---------------|---------------|
| Short Term | 1,421 | 6,404 | 9,625 | 33.7% |
| Long Term | 15,072 | 23,165 | 18,912 | 66.3% |
| Total Debt | 16,493 | 29,569 | 28,537 | 100.0% |
| In Local Currency | 13,661 | 24,916 | 23,352 | 81.8% |
| In Foreign Currency | 2,371 | 3,613 | 4,317 | 15.1% |

Edgar Filing: BRASIL TELECOM SA - Form 6-K

| | | | | |
|---------------------|----------------|----------------|----------------|--------------|
| Swaps | 460 | 1,040 | 868 | 3.0% |
| (-) Cash | (5,968) | (7,523) | (7,009) | 24.6% |
| (=) Net Debt | 10,525 | 22,046 | 21,528 | 75.4% |

* Data for September 2008 does not include the consolidation of BrT

10/22/2009

www.oi.com.br/ir

15

Table 11 Debt - BrTO Consolidated

| R\$ million | Sep/08 | Jun/09 | Sep/09 | % Gross Debt |
|---------------------|----------------|----------------|----------------|---------------|
| Short Term | 624 | 957 | 1,017 | 22.4% |
| Long Term | 3,626 | 3,867 | 3,524 | 77.6% |
| Total Debt | 4,250 | 4,824 | 4,541 | 100.0% |
| In Local Currency | 3,368 | 3,999 | 3,866 | 85.1% |
| In Foreign Currency | 601 | 587 | 489 | 10.8% |
| Swaps | 281 | 237 | 186 | 4.1% |
| (-) Cash | (1,670) | (1,614) | (1,637) | 36.0% |
| (=) Net Debt | 2,580 | 3,210 | 2,904 | 64.0% |

The schedule for the amortization of consolidated gross debt is shown in the table below:

Table 12 Schedule for the Amortization of Consolidated Gross Debt

| (R\$ million) | 4Q09 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 onwards | Total |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| Gross Debt amortization | 2,981 | 7,272 | 5,333 | 4,092 | 3,169 | 1,890 | 3,814 | 28,552 |
| Foreign Currency Amortization | 319 | 908 | 572 | 377 | 617 | 707 | 2,241 | 5,741 |
| Local Currency Amortization | 2,662 | 6,364 | 4,761 | 3,715 | 2,551 | 1,183 | 1,573 | 22,810 |

4.2) Capital Expenditure:

Consolidated capital expenditure totaled R\$1,345 million, 43.1% higher than in the previous quarter and 25.4% lower than in 3Q08. Capex in 3Q09 accounted for 17.8% of the consolidated net revenue, of which R\$620 million were earmarked to the mobile segment (46%) and R\$725 million to the fixed segment (+54%). Year-to-date capex of R\$3,190 million represented 14.3% of net revenue in the period.

Capex in the fixed segment was 53.3% higher than in 2Q09, mainly due to higher investment in broadband services, in the expansion of coverage and platform capacity, including the project to expand this service to municipal headquarter and public schools in all region I area.

In the wireless segment, capital expenditure rose 33.0% in the quarter, especially influenced by the expansion and improvement of the network. Compared with 3Q08, there was a reduction (29.3%) due to higher investments in that quarter directly related to the launch of operations in SP.

Table 13 Capital Expenditure

| R\$ million | 3Q08 | Quarter | | QoQ | YoY | 9M08 | 9M | YoY |
|----------------------------------|--------------|------------|--------------|-------------|--------------|--------------|--------------|--------------|
| | Pro forma* | 2Q09 | 3Q09 | (%) | (%) | Pro forma* | 9M09 | (%) |
| Wireline | 925 | 473 | 725 | 53.3 | -21.6 | 2,371 | 1,719 | -27.5 |
| Growth & Quality | 399 | 211 | 306 | 45.0 | -23.3 | 907 | 746 | -17.8 |
| Data / Communic. Systems / Other | 525 | 263 | 419 | 59.3 | -20.2 | 1,464 | 973 | -33.5 |
| Wireless | 877 | 466 | 620 | 33.0 | -29.3 | 2,836 | 1,471 | -48.1 |
| Expansion and Quality | 750 | 466 | 620 | 33.0 | -17.3 | 1,354 | 1,471 | 8.6 |
| 2G / 3G Licenses | 127 | 0 | 0 | | | 1,482 | 0 | |
| TOTAL | 1,802 | 940 | 1,345 | 43.1 | -25.4 | 5,207 | 3,190 | -38.7 |

10/22/2009

www.oi.com.br/ir

17

5) **ADDITIONAL INFORMATION:**

5.1) Acquisition of Brasil Telecom Participações - Events Taken Place in 3Q09

a) New Depositary Receipt Program for BrTO Common Shares:

On September 15, 2009, CVM approved the level 2 Depositary Receipt program for common shares issued by Brasil Telecom S.A., to be traded in the U.S. market.

The Bank of New York Mellon is the program's depositary institution. Each ADR will account for 1 common share of the company.

The depositary institution will not accept deposits of common shares in this Program until Brasil Telecom Participações S.A. is incorporated into Brasil Telecom S.A. (second stage of the group's corporate simplification process).

b) Second Stage of the Corporate Structure Simplification:

Brasil Telecom Participações (BrTP) approved its incorporation by its subsidiary Brasil Telecom S.A. at an Extraordinary General Meeting on September 30, 2009. (BrTO). With the aim of simplifying the corporate structure, thus aligning shareholders' interests at both companies, the restructuring aims to optimize operation costs and enable the use of the goodwill of R\$8,235.52 million. With the incorporation, the remaining shareholders from BrTP, will receive shares from BrTO. A new ADR program for BrT's common shares was requested to SEC.

BrTP's shareholders will receive BrTO shares following the ratio below:

| Substitution | |
|-----------------------|----------------------|
| 1 BRTP3 (ON) receives | 1.2190981 BRTO3 (ON) |
| 1 BRTP4 (PN) receives | 0.1720066 BRTO3 (ON) |
| | 0.9096173 BRTO4 (PN) |

Following this incorporation, 201,143,307 common shares and 209,155,151 preferred shares of BrTO were issued, extending the same rights to outstanding common and preferred shares issued by BrTO.

As a result, BrTO's new capital is now composed as follows:

| BRTO | Capital | Capital exc.- treasury | Controlling shareholders | % | Shares outstanding | % |
|--------------|--------------------|-----------------------------------|-------------------------------------|-------------|-------------------------------|-------------|
| Common | 203,423,177 | 203,423,177 | 161,990,001 | 79.6 | 41,433,176 | 20.4 |
| Preferred | 399,597,370 | 386,365,814 | 128,675,049 | 33.3 | 257,690,765 | 66.7 |
| Total | 603,020,546 | 589,788,990 | 290,665,050 | 49.3 | 299,123,941 | 50.7 |

Shareholder structure as of October 01, 2009

Shareholders of BrTP are expected to receive BrTO shares in November, after the deadline to exercise the redemption right of BRTP3 shareholders, when BrTP will no longer be traded at the stock exchange.

The Companies' capital before and after the Incorporation of BrTP is reflected below:

More information is available at the company's website: www.oi.com.br/ir.

c) Acquisition of Brasil Telecom and Corporate Structure Simplification: steps Concluded

| Date | Stage | Status |
|----------|---|--------|
| 01/08/09 | Acquisition of control of Brasil Telecom Participações (BrTP) | ü |
| 06/23/09 | Tag Along Offer to minority holders of common shares of BrTP and BrTO | ü |
| 07/31/09 | Merger of holding companies and SPCs (Invitel-Solpart/ Solpart-Copart1 / Copart1-BRTP / Copart2-BRTO) | ü |
| 09/30/09 | Incorporation of BrTP into BrTO, with the migration of BrTP's shareholder base into BrTO | ü |

* *SPCs (Special Purpose Companies)* companies created with the goal of acquiring Brasil Telecom

5.2) TNE and TMAR - Payment of Interest Attributed to Shareholders' Equity and Dividends

In October 20, 2009, the Board of Directors of Tele Norte Leste Participações S.A. and Telemar Norte Leste S.A. approved the beginning of the Interest on Equity (IOE) and Dividends payments, which were credited to shareholders during the year 2008.

In TNE, the gross values amounted R\$796.2 million and R\$296.5 million, related to Dividends and IOE, respectively. In TMAR, the Gross values added to R\$821.4 million and R\$677.1 million, referred to Dividends and IOE, respectively.

10/22/2009

www.oi.com.br/ir

19

The payment will begin in October 30, 299, with values per share as follows:

TNL - Dividends

| Announcement Date | Ex-Dividends Date | R\$ per Share (remunerate up to 10/30/09) | | Total Amount (R\$) |
|-------------------|-------------------|---|------------|--------------------|
| | | TNLP3 (ON) | TNLP4 (PN) | |
| 04/14/2009 | 07/01/2009 | 2.0819 | 2.0819 | 796,172,889.14 |

TNL - ISE

| Announcement Date | Ex-ISE Date | Gross Amount per share (R\$) (remunerate up to 10/30/09) | | Net Amount of IRRF* per Share (R\$) | | Total Gross Amount (R\$) |
|-------------------|-------------|--|------------|-------------------------------------|------------|--------------------------|
| | | TNLP3 (ON) | TNLP4 (PN) | TNLP3 (ON) | TNLP4 (PN) | |
| 08/15/2008 | 18/08/2008 | 0.7755 | 0.7755 | 0.6592 | 0.6592 | 296,464,965.18 |

TMAR - Dividends

| Announcement Date | Ex-Dividends Date | R\$ per Share (remunerate up to 10/30/09) | | | Total Amount (R\$) |
|-------------------|-------------------|---|------------|-------------|--------------------|
| | | TMAR3 (ON) | TMAR5 (PN) | TMAR6 (PNB) | |
| 04/14/2009 | 07/01/2009 | 3.2810 | 3.6091 | | 821,411,089.12 |

TMAR - ise

| Announcement Date | Ex-ISE Date | Gross Amount per share (R\$) (remunerate up to 10/30/09) | | | Net Amount of IRRF* per Share (R\$) | | | Total Gross Amount (R\$) |
|-------------------|-------------|--|-------------|-------------|-------------------------------------|-------------|-------------|--------------------------|
| | | TMAR3 (ON) | TMAR5 (PNA) | TMAR6 (PNB) | TMAR3 (ON) | TMAR5 (PNA) | TMAR6 (PNB) | |
| 08/15/2008 | 08/18/2008 | 2.0913 | 2.3003 | 2.0913 | 1.7776 | 1.9552 | 1.7776 | 525,775,337.68 |
| 12/22/2008 | 12/23/2008 | 0.6046 | 0.6651 | | 0.5140 | 0.5653 | | 151,373,077.89 |

5.2) Tariff Readjustment

On September 14, 2009, new tariffs for long-distance and local services (subscription and traffic) became effective, as approved by Anatel.

The readjustment for the services basket, of 0.98% for Telemar Norte Leste S.A. and Brasil Telecom S.A., considers a 5.07% variation for the Telecommunication Services Index (IST) from May 2008 through June 2009, as well as an average tariff deflator for 2008 and 2009 of 3.90% (X-Factor).

Local interconnection tariffs (TU-RL) were readjusted by 0.98% to R\$0.02834 at Telemar and to R\$0.03112 at Brasil Telecom (net of ICMS/PIS/COFINS). Public phones credit were readjusted by 0.82% to R\$0.12250 (gross). Fixed-to-Mobile tariffs (VC1, VC2, VC3) and VU-M (mobile termination rates) were not readjusted.

In the coming charts we present the new tariffs for Local Service, as well as the maximum prices for Long Distance tariffs:

| Local Service Gross Tariffs (R\$ - Rio de Jan.) | Previous Tariff | Readjusted Tariff |
|---|-----------------|-------------------|
| Installation Fees | 57.07 | 57.61 |
| Residential Subscription | 42.92 | 43.33 |
| Non-Residential Subscription and Trunk services | 76.30 | 77.04 |
| AICE* Subscription | 25.74 | 25.99 |
| Local Minute (Basic Plan) | 0.10577 | 0.10679 |
| Local Minute (Basic Plan) | 0.21154 | 0.21359 |
| AICE Completing Tariff | 0.21154 | 0.21359 |
| Local Minute (PASOO**) | 0.04107 | 0.04146 |
| VCA (PASOO**) | 0.16428 | 0.16584 |
| Completing Tariff PASOO | 0.16428 | 0.16584 |

* AICE: Special Class Individual Access; Oi's new wireline plan, as ordered by Anatel, where the customer pays a monthly subscription fee to receive calls. It does not entitle the customer to monthly minute packages. In order to call, it is necessary to buy rechargeable cards of at least R\$20.00 each.

** PASOO: Obligatory Alternative Services Plan. In this plan, the client pays a monthly subscription that entitles him/her to a 400-minute allowance for local calls to other land lines. Each normal rate call is levied with a Supplementary Fee, equaling 4 minutes. In addition to this fee, the call is charged every 6 seconds during the utilization period. In the reduced-rate period, only the Supplementary Tariff is charged, which equals 4 minutes regardless of the utilization time

Longa Distance*

| Distance (Km) R\$ | Previous Tariff | Readjusted Tariff |
|-------------------|-----------------|-------------------|
| 0 - 50 | 0.29344 | 0.24941 |
| 50 -100 | 0.50830 | 0.48287 |
| 100 - 300 | 0.58527 | 0.61365 |
| + 300 | 0.64204 | 0.67415 |

* Per-minute tariffs for long-distance national calls between 9 a.m. and 12 p.m. and between 2 p.m. and 6 p.m. on weekdays (gross tariffs RJ-based differentiated rate).

5.3) New Board Members

At the end of september/09, Boards of Directors and the Audit Committee from Oi's companies were as follow:

TNL - Board of Directors (term through 2010)

Effective

José Mauro Mettrau Carneiro da Cunha (President)
 Alexandre Jereissati Legey
 Pedro Jereissati
 Otávio Marques de Azevedo
 Caio Marcelo de Medeiros Melo
 Fernando Magalhães Portella
 Álvaro Furtado de Andrade
 João Pedro Amado Andrade
 Fábio de Oliveira Moser

Substitute

José Augusto da Gama Figueira
 Carlos Francisco Ribeiro Jereissati
 Roberto Schneider
 Lúcio Otávio Ferreira
 Joaquim Dias de Castro
 Carlos Jereissati
 João José de Araújo Pereira Pavel
 Rodrigo Werneck Gutierrez
 Ricardo Ferraz Torres

TNL - Statutory Audit Committee (term through 2010)

Effective

Sergio Bernstein (President)
 Allan Kardec de Melo Ferreira
 Pedro Julio Pinheiro (Minority)
 Fernando Linhares Filho

Substitute

Sidnei Nunes
 Dênis Kleber Gomide Leite
 Dílson de Lima Ferreira Júnior (Minority)
 Aparecido Carlos Correia Galdino

TMAR - Board of Directors (term through 2011)

Effective

José Mauro Mettrau Carneiro da Cunha (President)
 João de Deus Pinheiro de Macêdo
 Eurico de Jesus Teles Neto
 Luiz Eduardo Falco Pires Corrêa
 João Carlos de Almeida Gaspar (Preferred)

Substitute

José Augusto da Gama Figueira
 Otávio Marques de Azevedo
 Alex Waldemar Zornig
 Pedro Jereissati
 Claudio José Carvalho de Andrade (Preferred)

TMAR - Statutory Audit Committee (term through 2010)

Effective

Sergio Bernstein (President)
 Fernando Linhares Filho
 Rui Flaks Schneider

Substitute

Sidnei Nunes
 Dênis Kleber Gomide Leite

BRTO - Board of Directors (term through 2010)

Effective

José Mauro Mettrau Carneiro da Cunha (President)
 João de Deus Pinheiro de Macedo (vice-president)
 Eurico de Jesus Teles Neto
 José Augusto da Gama Figueira
 Antônio Cardoso dos Santos

Substitute

Maxim Medvedovski
 Pedro Jereissati
 Otávio Marques de Azevedo
 João José de Araújo Pereira Pavel

BRTO - Statutory Audit Committee (term through 2010)

Effective

Allan Kardec de Melo Ferreira (President)
Aparecido Carlos Correia Galdino
Eder Carvalho Magalhães
Marcos Duarte Santos

Substitute

Dênis Kleber Gomide Leite
Sidnei Nunes
Sérgio Bernstein

5.4) DTH Launch

After the launch in the State of Rio de Janeiro (July 15, 2009), the TV subscription services via DTH (Oi-TV) was expanded to the states of Minas Gerais (August 31, 2009) and Rio Grande do Sul (July 10, 2009), which now offer just one service.

In the launch offers, the main 26-channel package has a promotional price of R\$29.90 for one year. After the first month, the price rises to R\$49.90, with a R\$10 discount for Oi Fixo clients.

Oi has been developing its strategy to distribute audiovisual content as one of the main pillars of its business positioning. The company's goal is to consolidate itself as a supplier of communication, information and entertainment services, combining all of its clients' telecommunications demands in just one organization, with ease and at an affordable cost.

Oi expects to expand the service to the whole country gradually. Within one year, Oi TV is expected to be offered in the rest of Brazil.

5.5) Launch of the Ultra High-Speed Fixed Broadband portfolio

On October 9, 2009, Oi announced the launch of Oi Velox Ultra, a new Ultra High-Speed Fixed Broadband portfolio, with Internet access that can be as fast as 100 Mbps. Oi Velox Ultra at 14, 20, 40, 60 and 100 Mbps starts at R\$109.90 for residential customers, adding to the services offered by the company, currently limited to 8 Mbps.

The launch began in the metropolitan region of Recife and by the end of the year it will be expanded to other states in Regions I and II, where demand for this service exists. The new speeds for Oi Velox Ultra will be on the corporate and retail markets. For this launch, the company invested in its network infrastructure to increase capacity using ADSL2+, VDSL2 and optical fiber.

5.6) Law 11,638/2007 Related to the Writing and Disclosure of Financial Statements

On December 28, 2007, Law 11,638/07 was put into effect to add new provisions and modify the Corporate Law 6,404/1976. This law set a number of alterations to accounting practices and financial statements preparation, aiming to align them with the International Financial Reporting Standards (IFRS). Therefore, it attributed to the CVM the power to issue accounting norms and procedures for joint stock companies.

On December 3, 2008, the Provisional Measure 449/2008, with the force of law, instituted the RTT Transitional Tax Regime for the accounting of earnings, which deals with tax adjustments stemming from new accounting methods and criteria introduced by Law 11,638/2007. It also introduced changes to Law 6,404/1976. On May 27, 2009 the aforementioned Provisional Measure was sanctioned through Law 11,941/09.

The following table shows the reconciliations of the financial and income statements announced on September 30, 2008, pursuant to Law 11,638/2007 in order to allow its comparison with the quarter ended on September 30, 2009.

| TNL Consolidated (R\$ million) | Shareholder s Equity on Sept 30, 2008 | Result on Sept 30, 2008 |
|--|---|----------------------------|
| Original balance | 10,175 | 980 |
| Financial instruments | -12 | -3 |
| Financial lease | 14 | 5 |
| Grants and government support | 79 | 79 |
| Stock-based remuneration | 0 | -37 |
| Differed Asset | -2 | 0 |
| Income tax and social contribution on the total adjustment | 0 | 0 |
| Minority interest effect | -7 | -7 |
| Equity accounting on the adjustments of Law 11,638/07 and Provisional Measure 449/08 | -7 | 59 |
| Balance after Law 11,638/07 | 10,240 | 1,077 |

6) FINANCIAL STATEMENTS6.1) Tele Norte Leste Participações - TNLP Consolidated

| | R\$ Million | | | | |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 3Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 |
| Income Statement | Pro forma | | | Pro forma | |
| Wireline Services Revenues | 8,972.7 | 8,829.6 | 9,048.8 | 26,419.5 | 26,850.8 |
| Local Services | 4,584.9 | 4,407.2 | 4,428.2 | 13,464.6 | 13,275.9 |
| Subscription Charges | 2,777.0 | 2,751.3 | 2,757.8 | 8,205.4 | 8,271.4 |
| Local Traffic | 565.2 | 494.8 | 488.7 | 1,686.4 | 1,489.3 |
| Installation Fees | 25.0 | 29.6 | 32.2 | 72.6 | 80.3 |
| Collect Calls | 2.2 | 1.8 | 1.6 | 6.5 | 5.0 |
| Other Local Revenues | 1.1 | 0.7 | (1.0) | 8.8 | 0.4 |
| Fixed-to-Mobile (VC1) | 1,214.4 | 1,129.1 | 1,148.9 | 3,484.9 | 3,429.5 |
| Long Distance | 1,608.8 | 1,489.6 | 1,559.1 | 4,906.5 | 4,649.2 |
| Intra-State | 690.3 | 665.2 | 691.7 | 2,204.9 | 2,060.1 |
| Inter-State | 161.1 | 144.0 | 137.1 | 486.6 | 426.0 |
| Inter-Regional | 339.4 | 311.3 | 342.3 | 998.3 | 1,005.7 |
| International | 28.1 | 20.1 | 20.9 | 81.8 | 62.5 |
| Fixed-to-Mobile (VC2 and VC3) | 389.9 | 349.1 | 367.1 | 1,134.8 | 1,094.8 |
| Advanced Voice | 72.0 | 66.9 | 84.6 | 247.0 | 232.2 |
| Public Telephones | 247.9 | 250.0 | 236.0 | 863.2 | 735.1 |
| Additional Services | 235.3 | 243.6 | 250.4 | 703.5 | 741.1 |
| Network Usage Remuneration | 279.5 | 192.5 | 232.7 | 727.7 | 655.0 |
| Data Transmission Services | 1,884.1 | 2,113.7 | 2,198.6 | 5,330.4 | 6,391.6 |
| ADSL (Velox) | 948.5 | 1,167.4 | 1,245.6 | 2,476.9 | 3,510.8 |
| Leased Lines (EILD) | 245.2 | 234.9 | 194.4 | 703.5 | 668.5 |
| Leased Lines (SLDD/SLDA) | 138.8 | 144.5 | 146.7 | 435.4 | 441.5 |
| IP Services | 211.9 | 235.5 | 262.1 | 638.6 | 736.4 |
| Packet switch and frame relay | 113.9 | 108.1 | 98.2 | 361.3 | 311.2 |
| Other Data Services | 225.8 | 223.2 | 251.6 | 714.7 | 723.3 |
| Other Wireline Services | 60.2 | 66.1 | 59.2 | 176.6 | 170.7 |
| Wireless Services Revenues | 2,219.9 | 2,354.1 | 2,547.8 | 6,072.9 | 7,171.4 |
| Subscription Charges | 465.7 | 541.9 | 588.8 | 1,288.5 | 1,664.7 |
| Outgoing Calls | 904.2 | 885.0 | 932.4 | 2,380.6 | 2,680.0 |
| Domestic/International Roaming | 35.9 | 27.4 | 29.8 | 117.0 | 91.6 |
| Network Usage Remuneration | 522.1 | 565.6 | 618.6 | 1,491.8 | 1,700.9 |
| Data / Value Added Services | 182.1 | 233.8 | 296.2 | 485.7 | 762.5 |
| Handset Sales | 109.9 | 100.3 | 81.9 | 309.3 | 271.7 |
| Gross Operating Revenue | 11,192.6 | 11,183.6 | 11,596.6 | 32,492.4 | 34,022.2 |
| Taxes and Deductions | (3,620.8) | (3,881.5) | (4,043.5) | (10,211.7) | (11,679.7) |

Edgar Filing: BRASIL TELECOM SA - Form 6-K

| | | | | | |
|--|----------------|----------------|----------------|-----------------|-----------------|
| Net Operating Revenue | 7,571.9 | 7,302.1 | 7,553.2 | 22,280.7 | 22,342.5 |
| Operating Expenses | (4,995.4) | (4,979.5) | (5,192.7) | (14,685.0) | (15,467.5) |
| <i>Cost of Services</i> | (1,177.4) | (1,652.0) | (1,593.3) | (3,840.8) | (4,797.3) |
| <i>Cost of Goods Sold</i> | (113.7) | (150.0) | (120.0) | (340.6) | (464.0) |
| <i>Interconnection Costs</i> | (1,378.8) | (1,320.5) | (1,278.0) | (4,099.2) | (3,919.9) |
| <i>Selling Expenses</i> | (1,233.7) | (1,333.7) | (1,213.4) | (3,500.6) | (3,894.6) |
| <i>General and Administrative Expenses</i> | (799.8) | (563.5) | (622.6) | (1,922.7) | (1,759.5) |
| <i>Other Operating (Expenses) Revenue, net</i> | (291.9) | 40.1 | (365.3) | (981.1) | (632.3) |
| EBITDA | 2,576.5 | 2,322.7 | 2,360.5 | 7,595.7 | 6,875.0 |
| <i>Margin %</i> | <i>34.0%</i> | <i>31.8%</i> | <i>31.3%</i> | <i>34.1%</i> | <i>30.8%</i> |
| Depreciation and Amortization | (1,233.2) | (1,452.3) | (1,464.0) | (3,669.2) | (4,222.3) |
| EBIT | 1,343.4 | 870.4 | 896.4 | 3,926.5 | 2,652.7 |
| Equity Accounting | (34.5) | 8.2 | 18.7 | 41.6 | 25.7 |
| Financial Expenses | (1,214.6) | (950.6) | (891.7) | (2,344.1) | (2,879.8) |
| Financial Income | 596.7 | 454.6 | 354.8 | 1,488.3 | 1,216.9 |
| Income Before Tax and Social Contribution | 691.0 | 382.6 | 378.2 | 3,112.3 | 1,015.6 |
| Income Tax and Social Contribution | (186.1) | (349.3) | (163.1) | (939.0) | (603.5) |
| Minority Interest | (283.1) | (179.3) | (151.0) | (1,099.0) | (483.0) |
| Net Income | 221.9 | (146.0) | 64.2 | 1,074.3 | (70.9) |
| <i>Margin %</i> | <i>2.9%</i> | <i>-2.0%</i> | <i>0.9%</i> | <i>4.8%</i> | <i>-0.3%</i> |
| <i>Outstanding Shares - Thousand (exc.-treasury)</i> | <i>382,289</i> | <i>382,425</i> | <i>382,456</i> | <i>382,289</i> | <i>382,456</i> |
| <i>Income per share (R\$)</i> | <i>0.580</i> | <i>(0.382)</i> | <i>0.168</i> | <i>2.810</i> | <i>(0.185)</i> |
| <i>Income per ADR (US\$)</i> | <i>0.348</i> | <i>(0.184)</i> | <i>0.090</i> | <i>1.657</i> | <i>(0.065)</i> |

* The pro forma consolidation was made from Invitel consolidated, the parent company of Brasil Telecom Participações.

October 22, 2009

www.oi.com.br/ir

25

6.1) Tele Norte Leste Participações - TNLP Consolidated (Continued)

| | R\$ Million | | |
|--------------------------------|----------------|----------------|----------------|
| | 9/30/08 | 6/30/09 | 9/30/09 |
| Balance Sheet | | | |
| TOTAL ASSETS | 38,117 | 58,885 | 60,185 |
| Current | 14,886 | 19,224 | 18,658 |
| Cash | 7,287 | 6,466 | 6,062 |
| Financial investments | 1,288 | 1,478 | 1,341 |
| Accounts Receivable | 3,612 | 6,115 | 6,138 |
| Recoverable Taxes | 1,804 | 3,363 | 3,236 |
| Inventories | 156 | 164 | 138 |
| Assets in Escrow | 0 | 496 | 782 |
| Other Current Assets | 740 | 1,141 | 961 |
| Non-Current Assets | 23,231 | 39,661 | 41,527 |
| Long Term | 4,427 | 8,135 | 8,069 |
| Recoverable and Deferred Tax | 2,363 | 4,226 | 4,256 |
| Accounts Receivable | 24 | 24 | 7 |
| Assets in Escrow | 1,413 | 3,320 | 3,299 |
| Other | 626 | 564 | 506 |
| Investments | 3,320 | 55 | 55 |
| Property Plant and Equipment | 12,475 | 20,136 | 21,723 |
| Intangible Assets | 2,655 | 11,019 | 11,386 |
| Deferred Assets | 353 | 317 | 294 |
| Balance Sheet | 9/30/08 | 6/30/09 | 9/30/09 |
| TOTAL LIABILITIES | 38,117 | 58,885 | 60,185 |
| Current | 7,146 | 16,659 | 19,310 |
| Suppliers | 2,822 | 3,320 | 3,342 |
| Loans and Financing | 2,129 | 6,760 | 9,856 |
| Payroll and Related Accruals | 217 | 334 | 491 |
| Pension Fund Provision | 0 | 52 | 82 |
| Payable Taxes | 1,217 | 2,267 | 2,265 |
| Dividends Payable | 601 | 1,937 | 1,632 |
| Other Accounts Payable | 161 | 1,989 | 1,642 |
| Non-Current Liabilities | 18,730 | 28,567 | 24,758 |
| Long Term | 18,730 | 28,567 | 24,758 |
| Loans and Financing | 15,634 | 22,847 | 18,696 |
| Payable and Deferred Taxes | 704 | 594 | 607 |
| Contingency Provisions | 2,120 | 2,797 | 3,128 |
| Pension Fund Provision | 0 | 608 | 608 |
| Outstanding authorizations | 106 | 1,547 | 1,563 |
| Other Accounts Payable | 166 | 175 | 156 |
| Minority Interest | 2,001 | 5,395 | 7,761 |
| Shareholders Equity | 10,240 | 8,263 | 8,355 |
| Capital Stock | 5,449 | 5,449 | 5,449 |
| Capital Reserve | 37 | 41 | 42 |
| Surplus Reserve | 4,364 | 3,275 | 3,276 |
| Treasury shares | (369) | (367) | (367) |
| Retained Earnings | 758 | (135) | (44) |

6.2) Telemar Norte Leste - TMAR Consolidated

| Income Statement | R\$ Million | | | | |
|--------------------------------------|-------------------|------------------|------------------|-------------------|------------------|
| | 3Q08 Pro forma | 2Q09 | 3Q09 | 9M08 Pro forma | 9M09 |
| Wireline Services Revenues | 8,949.4 | 8,793.1 | 9,023.7 | 26,347.2 | 26,778.9 |
| Local Services | 4,584.9 | 4,407.2 | 4,428.2 | 13,464.6 | 13,275.9 |
| <i>Subscription Charges</i> | <i>2,777.0</i> | <i>2,751.3</i> | <i>2,757.8</i> | <i>8,205.4</i> | <i>8,271.4</i> |
| <i>Local Traffic</i> | <i>565.2</i> | <i>494.8</i> | <i>488.7</i> | <i>1,686.4</i> | <i>1,489.3</i> |
| <i>Installation Fees</i> | <i>25.0</i> | <i>29.6</i> | <i>32.2</i> | <i>72.6</i> | <i>80.3</i> |
| <i>Collect Calls</i> | <i>2.2</i> | <i>1.8</i> | <i>1.6</i> | <i>6.5</i> | <i>5.0</i> |
| <i>Other Local Revenues</i> | <i>1.1</i> | <i>0.7</i> | <i>(1.0)</i> | <i>8.8</i> | <i>0.4</i> |
| <i>Fixed-to-Mobile (VC1)</i> | <i>1,214.4</i> | <i>1,129.1</i> | <i>1,148.9</i> | <i>3,484.9</i> | <i>3,429.5</i> |
| Long Distance | 1,608.8 | 1,489.6 | 1,559.1 | 4,906.5 | 4,649.2 |
| <i>Intra-State</i> | <i>690.3</i> | <i>665.2</i> | <i>691.7</i> | <i>2,204.9</i> | <i>2,060.1</i> |
| <i>Inter-State</i> | <i>161.1</i> | <i>144.0</i> | <i>137.1</i> | <i>486.6</i> | <i>426.0</i> |
| <i>Inter-Regional</i> | <i>339.4</i> | <i>311.3</i> | <i>342.3</i> | <i>998.3</i> | <i>1,005.7</i> |
| <i>International</i> | <i>28.1</i> | <i>20.1</i> | <i>20.9</i> | <i>81.8</i> | <i>62.5</i> |
| <i>Fixed-to-Mobile (VC2 and VC3)</i> | <i>389.9</i> | <i>349.1</i> | <i>367.1</i> | <i>1,134.8</i> | <i>1,094.8</i> |
| Advanced Voice | 72.0 | 66.9 | 84.6 | 247.0 | 232.2 |
| Public Telephones | 247.9 | 250.0 | 236.0 | 863.2 | 735.1 |
| Additional Services | 235.3 | 243.6 | 250.4 | 703.5 | 741.1 |
| Network Usage Remuneration | 279.5 | 192.5 | 232.7 | 727.7 | 655.0 |
| Data Transmission Services | 1,885.3 | 2,114.8 | 2,199.3 | 5,333.5 | 6,394.3 |
| Other | 35.7 | 28.5 | 33.3 | 101.1 | 96.1 |
| Wireless Services Revenues | 2,219.9 | 2,366.7 | 2,547.8 | 6,072.9 | 7,171.4 |
| Subscription Charges | 465.7 | 541.9 | 588.8 | 1,288.5 | 1,664.7 |
| Outgoing Calls | 904.2 | 885.0 | 932.4 | 2,380.6 | 2,680.0 |
| Domestic/International Roaming | 35.9 | 27.4 | 29.8 | 117.0 | 91.6 |
| Network Usage Remuneration | 522.1 | 565.6 | 618.6 | 1,491.8 | 1,700.9 |
| Data / Value Added Services | 182.1 | 246.4 | 296.2 | 485.7 | 762.5 |
| Handset Sales | 109.9 | 100.3 | 81.9 | 309.3 | 271.7 |
| Gross Operating Revenue | 11,169.4 | 11,159.7 | 11,571.4 | 32,420.1 | 33,950.3 |
| Taxes and Deductions | (3,614.8) | (3,875.3) | (4,035.6) | (10,194.3) | (11,660.6) |
| Net Operating Revenue | 7,554.5 | 7,284.4 | 7,535.9 | 22,225.9 | 22,289.7 |
| Operating Expenses | (4,979.1) | (4,951.3) | (5,163.5) | (14,594.7) | (15,380.0) |
| <i>Cost of Services Provided</i> | <i>(1,161.4)</i> | <i>(1,635.7)</i> | <i>(1,577.0)</i> | <i>(3,800.0)</i> | <i>(4,751.5)</i> |
| <i>Cost of Goods Sold</i> | <i>(113.7)</i> | <i>(150.0)</i> | <i>(120.0)</i> | <i>(340.6)</i> | <i>(464.0)</i> |

Edgar Filing: BRASIL TELECOM SA - Form 6-K

| | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|
| <i>Interconnection Costs</i> | (1,378.8) | (1,320.5) | (1,278.0) | (4,099.2) | (3,919.9) |
| <i>Selling Expenses</i> | (1,232.7) | (1,271.6) | (1,142.1) | (3,491.4) | (3,690.1) |
| <i>General and Administrative Expenses</i> | (790.7) | (613.4) | (682.9) | (1,900.2) | (1,926.9) |
| <i>Other Operating (Expenses) Revenue, net</i> | (301.7) | 39.8 | (363.5) | (963.2) | (627.6) |
| EBITDA | 2,575.4 | 2,333.1 | 2,372.3 | 7,631.2 | 6,909.7 |
| <i>Margin %</i> | <i>34.1%</i> | <i>32.0%</i> | <i>31.5%</i> | <i>34.3%</i> | <i>31.0%</i> |
| Depreciation and Amortization | (1,241.4) | (1,460.6) | (1,472.5) | (3,692.8) | (4,246.7) |
| EBIT | 1,334.0 | 872.6 | 899.8 | 3,938.4 | 2,663.0 |
| Equity Accounting | (20.3) | 2.3 | 1.3 | 22.3 | (1.2) |
| Financial Expenses | (1,144.0) | (939.8) | (899.6) | (2,240.3) | (2,885.8) |
| Financial Income | 596.7 | 454.4 | 371.5 | 1,489.7 | 1,226.9 |
| Income Before Tax and Social Contribution | 766.4 | 389.5 | 372.9 | 3,210.2 | 1,002.9 |
| Income Tax and Social Contribution | (170.5) | (355.4) | (168.6) | (938.3) | (609.7) |
| Minority Interest | (212.2) | (211.8) | (138.6) | (845.0) | (502.7) |
| Net Income | 383.7 | (177.6) | 65.8 | 1,426.8 | (109.5) |
| <i>Margin %</i> | <i>5.1%</i> | <i>-2.4%</i> | <i>0.9%</i> | <i>6.4%</i> | <i>-0.5%</i> |
| <i>Outstanding Shares Thousand (exc.-treasury)</i> | <i>238,391</i> | <i>238,391</i> | <i>238,391</i> | <i>238,391</i> | <i>238,391</i> |
| <i>Income per share (R\$)</i> | <i>1.610</i> | <i>(0.745)</i> | <i>0.276</i> | <i>5.985</i> | <i>(0.459)</i> |

* The pro forma consolidation was made from Invitel consolidated, the parent company of Brasil Telecom Participações.

October 22, 2009

www.oi.com.br/ir

27

6.2) Telemar Norte Leste - TMAR Consolidated (Continued)

| | R\$ Million | | |
|--------------------------------|----------------|----------------|----------------|
| | 9/30/08 | 6/30/09 | 9/30/09 |
| TOTAL ASSETS | 35,331 | 58,408 | 59,745 |
| Current | 11,901 | 18,476 | 17,955 |
| Cash | 4,666 | 6,022 | 5,663 |
| Financial investments | 1,277 | 1,476 | 1,340 |
| Accounts Receivable | 3,609 | 6,123 | 6,151 |
| Recoverable and Deferred Taxes | 1,468 | 3,059 | 2,927 |
| Inventories | 156 | 164 | 138 |
| Assets in Escrow | 0 | 496 | 782 |
| Other Current Assets | 724 | 1,136 | 954 |
| Non-Current Assets | 23,430 | 39,933 | 41,790 |
| Long Term | 4,569 | 8,388 | 8,325 |
| Recoverable and Deferred Taxes | 2,132 | 4,026 | 4,051 |
| Financial investments | 24 | 24 | 7 |
| Assets in Escrow | 1,405 | 3,311 | 3,289 |
| Other | 1,007 | 1,026 | 978 |
| Investments | 3,313 | 47 | 47 |
| Property Plant and Equipment | 12,648 | 18,285 | 21,838 |
| Intangible Assets | 2,578 | 12,923 | 11,312 |
| Deferred | 323 | 290 | 268 |
| Balance Sheet | 9/30/08 | 6/30/09 | 9/30/09 |
| TOTAL LIABILITIES | 35,331 | 58,408 | 59,745 |
| Current | 6,492 | 16,254 | 19,062 |
| Suppliers | 2,814 | 3,316 | 3,339 |
| Loans and Financing | 1,452 | 6,404 | 9,625 |
| Payroll and Related Accruals | 214 | 331 | 406 |
| Pension fund Provision | 0 | 52 | 82 |
| Payable Taxes | 1,191 | 2,248 | 2,243 |
| Dividends Payable | 657 | 1,909 | 1,631 |
| Other Accounts Payable | 164 | 1,994 | 1,736 |
| Non-Current Liabilities | 17,964 | 28,720 | 24,809 |
| Long Term | 17,964 | 28,720 | 24,809 |
| Loans and Financing | 15,080 | 23,165 | 18,912 |
| Payable Taxes | 562 | 483 | 499 |
| Contingency Provisions | 2,119 | 2,813 | 3,141 |
| Pension fund Provision | 0 | 608 | 608 |
| Outstanding authorizations | 106 | 1,547 | 1,563 |
| Other Accounts Payable | 96 | 104 | 86 |
| Minority Interest | 52 | 3,613 | 5,964 |
| Shareholders Equity | 10,823 | 9,821 | 9,910 |
| Capital Stock | 7,419 | 7,434 | 7,434 |
| Capital Reserve | 2,193 | 2,211 | 2,214 |
| Treasury shares | (17) | (17) | (17) |
| Surplus Reserve | 327 | 368 | 368 |
| Retained Earnings | 902 | (175) | (89) |

6.3) TNL PCS Oi

| Income Statement | R\$ Million | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2Q08 | 2Q09 | 3Q09 | 9M08 | 9M09 | |
| Wireless Services Revenues | 1,829.1 | 2,283.3 | 2,845.3 | 4,998.3 | 7,240.7 | |
| <i>Subscription</i> | 337.8 | 434.3 | 476.4 | 934.9 | 1,327.7 | |
| <i>Outgoing Calls</i> | 671.7 | 722.6 | 773.7 | 1,800.2 | 2,176.3 | |
| <i>Domestic/Internacional Roaming</i> | 30.1 | 24.7 | 26.7 | 95.5 | 81.4 | |
| <i>Network Usage Remuneration</i> | 596.0 | 846.5 | 970.4 | 1,643.8 | 2,574.0 | |
| <i>Data / Value Added</i> | 143.7 | 188.6 | 235.6 | 377.1 | 590.4 | |
| <i>Other SMP Services</i> | (0.6) | 0.0 | 0.0 | (2.7) | 0.0 | |
| <i>Handset Sales</i> | 50.4 | 66.7 | 60.0 | 149.5 | 188.3 | |
| LD/Advanced Voice Service/Network* Revenues | 98.0 | 93.4 | 95.4 | 308.8 | 302.6 | |
| Gross Operating Revenue | 1,927.2 | 2,376.7 | 2,638.0 | 5,307.1 | 7,240.7 | |
| Taxes and Deductions | (607.4) | (669.5) | (753.1) | (1,616.0) | (2,075.8) | |
| Net Operating Revenue | 1,319.7 | 1,707.2 | 1,884.9 | 3,691.1 | 5,164.9 | |
| Operating Expenses | (883.8) | (1,308.4) | (1,274.5) | (2,454.3) | (3,866.0) | |
| <i>Cost of Services Provided</i> | (153.0) | (343.8) | (310.1) | (454.6) | (999.8) | |
| <i>Cost of Goods Sold</i> | (47.3) | (112.2) | (93.6) | (147.1) | (353.8) | |
| <i>Interconnection Costs</i> | (357.7) | (362.8) | (370.0) | (1,014.8) | (1,091.3) | |
| <i>Selling Expenses</i> | (312.2) | (436.6) | (393.6) | (775.4) | (1,197.9) | |
| <i>General and Administrative Expenses</i> | (42.5) | (107.7) | (111.4) | (133.0) | (325.8) | |
| <i>Other Operating (Expenses) Revenue, net</i> | 28.9 | 54.8 | 4.2 | 70.4 | 102.7 | |
| EBITDA | 435.9 | 398.8 | 610.4 | 1,236.8 | 1,298.9 | |
| <i>Margin %</i> | 33.0% | 23.4% | 32.4% | 33.5% | 25.1% | |
| Depreciation and Amortization | (196.3) | (244.9) | (267.6) | (565.1) | (746.0) | |
| EBIT | 239.6 | 154.0 | 342.8 | 671.7 | 552.8 | |
| Equity Accounting | (42.3) | (23.1) | (18.3) | (100.9) | (82.6) | |
| Financial Expenses | (44.4) | (58.0) | (26.4) | (119.5) | (142.6) | |
| Financial Income | 111.2 | 81.7 | 83.6 | 309.9 | 257.4 | |
| Income Before Tax and Social Contribution | 264.1 | 154.5 | 381.7 | 761.2 | 585.2 | |
| Income Tax and Social Contribution | (103.0) | (96.3) | (112.9) | (279.4) | (194.0) | |
| Net Income | 161.1 | 58.2 | 268.8 | 481.8 | 391.2 | |
| <i>Margin %</i> | 12.2% | 3.4% | 14.3% | 13.1% | 7.6% | |
| Balance Sheet | | | | 9/30/08 | 6/30/09 | 9/30/09 |
| TOTAL ASSETS | | | | 11,392 | 12,498 | 13,080 |

Edgar Filing: BRASIL TELECOM SA - Form 6-K

| | | | |
|--------------------------------|---------------|---------------|---------------|
| Current | 3,606 | 2,909 | 3,190 |
| Cash | 906 | 168 | 988 |
| Financial investments | 1,153 | 679 | 226 |
| Accounts Receivable | 546 | 926 | 917 |
| Recoverable and Deferred Taxes | 427 | 470 | 506 |
| Inventories | 119 | 90 | 69 |
| Other Current Assets | 454 | 576 | 484 |
| Non-Current Assets | 7,786 | 9,588 | 9,890 |
| Long Term | 1,536 | 2,637 | 2,759 |
| Recoverable and Deferred Taxes | 860 | 714 | 686 |
| Loans and Financing | 523 | 1,760 | 1,922 |
| Financial investments | 0 | 2 | 2 |
| Other | 153 | 161 | 149 |
| Investments | 81 | 0 | 0 |
| Property Plant and Equipment | 3,872 | 4,746 | 5,004 |
| Intangible Assets | 1,981 | 1,919 | 1,862 |
| Deferred Assets | 316 | 286 | 265 |
| TOTAL LIABILITIES | 11,392 | 12,498 | 13,080 |
| Current Liabilities | 1,253 | 1,615 | 1,774 |
| Suppliers | 742 | 910 | 725 |
| Loans and Financing | 12 | 51 | 77 |
| Payroll and Related Accruals | 34 | 33 | 42 |
| Payable Taxes | 438 | 266 | 349 |
| Other Accounts Payable | 27 | 355 | 581 |
| Non-Current Liabilities | 1,463 | 1,824 | 1,977 |
| Long Term | 1,463 | 1,824 | 1,977 |
| Loans and Financing | 443 | 724 | 854 |
| Contingency Provisions | 100 | 112 | 118 |
| Payable Taxes | 5 | 28 | 31 |
| Outstanding authorizations | 902 | 895 | 891 |
| Other Accounts Payable | 13 | 65 | 83 |
| Shareholders Equity | 8,675 | 9,059 | 9,329 |

October 22, 2009

www.oi.com.br/ir

29

6.4) Brasil Telecom BrTO Consolidated

| Income Statement | 3Q08 | 2Q09 | 3Q09 | 9M08 | R\$ Million 9M09 |
|--------------------------------------|----------------|----------------|----------------|-----------------|---------------------|
| Wireline Services Revenues | 3,785.6 | 3,873.2 | 3,959.9 | 11,008.7 | 11,709.3 |
| Local Services | 1,654.9 | 1,601.1 | 1,628.4 | 4,857.3 | 4,861.1 |
| <i>Subscription Charges</i> | 928.9 | 956.1 | 979.7 | 2,725.3 | 2,898.7 |
| <i>Local Traffic</i> | 227.3 | 185.6 | 186.5 | 693.9 | 566.3 |
| <i>Installation Fees</i> | 2.8 | 2.5 | 4.0 | 8.3 | 8.8 |
| <i>Collect Calls</i> | 0.9 | 0.9 | 0.8 | 2.6 | 2.3 |
| <i>Other Local Revenues</i> | 3.5 | 2.9 | 3.4 | 10.5 | 9.5 |
| <i>Fixed-to-Mobile (VC1)</i> | 491.5 | 453.0 | 454.0 | 1,416.6 | 1,375.5 |
| Long Distance | 712.7 | 627.3 | 627.8 | 2,189.2 | 1,951.2 |
| <i>Intra-State</i> | 206.5 | 197.8 | 189.4 | 634.0 | 579.5 |
| <i>Inter-State</i> | 60.9 | 57.9 | 52.6 | 186.2 | 165.7 |
| <i>Inter-Regional</i> | 60.7 | 52.4 | 50.7 | 177.4 | 155.9 |
| <i>International</i> | 12.7 | 7.2 | 8.2 | 34.4 | 23.6 |
| <i>Fixed-to-Mobile (VC2 and VC3)</i> | 372.0 | 311.9 | 326.9 | 1,157.2 | 1,026.5 |
| Advanced Voice | 40.2 | 33.3 | 42.5 | 118.4 | 108.4 |
| Public Telephones | 106.2 | 116.8 | 104.4 | 360.6 | 305.5 |
| Additional Services | 65.8 | 95.4 | 107.2 | 188.7 | 286.7 |
| Network Usage Remuneration | 101.4 | 81.6 | 83.7 | 275.0 | 248.5 |
| Data Transmission Services | 1,097.4 | 1,311.6 | 1,360.4 | 2,996.4 | 3,929.9 |
| <i>ADSL</i> | 585.3 | 788.4 | 848.8 | 1,455.5 | 2,359.5 |
| <i>Leased Lines (EILD)</i> | 112.4 | 111.3 | 83.9 | 321.0 | 303.8 |
| <i>Leased Lines (SLDD/SLDA)</i> | 85.1 | 94.1 | 96.0 | 249.4 | 287.6 |
| <i>IP Services</i> | 132.0 | 150.4 | 162.8 | 399.5 | 472.6 |
| <i>Packet switch and frame relay</i> | 42.9 | 38.7 | 41.5 | 140.3 | 122.9 |
| <i>Other Data Services</i> | 139.6 | 128.8 | 127.4 | 430.5 | 383.4 |
| Other | 7.2 | 6.1 | 5.4 | 23.1 | 18.0 |
| Wireless Services Revenues | 540.4 | 518.4 | 538.1 | 1,532.5 | 1,557.5 |
| Subscription Charges | 100.6 | 107.6 | 112.4 | 296.1 | 325.5 |
| Outgoing Calls | 172.1 | 162.8 | 159.1 | 460.8 | 489.4 |
| Domestic/International Roaming | 2.3 | 3.3 | 3.7 | 12.0 | 10.1 |
| Network Usage Remuneration | 169.0 | 147.6 | 180.7 | 493.4 | 467.3 |
| Data / Value Added Services | 37.9 | 63.4 | 60.2 | 112.9 | 181.9 |
| Handset Sales | 58.5 | 33.7 | 22.0 | 157.3 | 83.4 |
| Gross Operating Revenue | 4,326.0 | 4,391.6 | 4,498.0 | 12,541.2 | 13,266.8 |
| Taxes and Deductions | (1,426.6) | (1,708.7) | (1,764.1) | (3,906.1) | (5,044.9) |
| Net Operating Revenue | 2,899.4 | 2,682.8 | 2,733.9 | 8,635.1 | 8,221.9 |

Edgar Filing: BRASIL TELECOM SA - Form 6-K

| | | | | | |
|--|--------------|------------------|----------------|----------------|----------------|
| Operating Expenses | (1,902.4) | (3,253.7) | (1,730.5) | (5,566.1) | (7,320.9) |
| <i>Cost of Services Provided</i> | (496.1) | (590.2) | (590.1) | (1,482.6) | (1,715.3) |
| <i>Cost of Goods Sold</i> | (71.2) | (46.1) | (26.9) | (222.0) | (137.2) |
| <i>Interconnection Costs</i> | (559.9) | (497.0) | (501.4) | (1,678.4) | (1,511.8) |
| <i>Selling Expenses</i> | (307.6) | (350.0) | (234.4) | (935.9) | (1,001.6) |
| <i>General and Administrative Expenses</i> | (247.9) | (244.1) | (261.5) | (781.9) | (728.3) |
| <i>Other Operating (Expenses) Revenue, net</i> | (219.6) | (1,526.3) | (116.3) | (465.3) | (2,226.7) |
| EBITDA | 997.1 | (570.8) | 1,003.4 | 3,069.0 | 901.0 |
| <i>Margin %</i> | 34.4% | -21.3% | 36.7% | 35.5% | 11.0% |
| Depreciation and Amortization | (493.7) | (496.5) | (495.0) | (1,546.7) | (1,487.4) |
| EBIT | 503.3 | (1,067.3) | 508.4 | 1,522.4 | (586.4) |
| Financial Expenses | (302.2) | (187.6) | (239.7) | (725.0) | (637.0) |
| Financial Income | 161.2 | 160.8 | 141.4 | 452.9 | 424.9 |
| Income Before Tax and Social Contribution | 362.4 | (1,094.1) | 410.1 | 1,250.3 | (798.5) |
| Income Tax and Social Contribution | (153.6) | 373.1 | (150.2) | (397.0) | 257.9 |
| Minority Interest | 1.0 | (1.4) | (0.5) | 1.7 | (2.0) |
| Net Income | 209.7 | (722.3) | 259.4 | 854.9 | (542.5) |
| <i>Margin %</i> | 7.2% | -26.9% | 9.5% | 9.9% | -6.6% |
| <i>Outstanding Shares Thousand (exc.-treasury)</i> | 547,493 | 547,719 | 547,719 | 547,493 | 547,719 |
| <i>Income per share (R\$)</i> | 0.383 | (1.319) | 0.474 | 1.562 | (0.990) |

October 22, 2009

www.oi.com.br/ir

30

6.4) Brasil Telecom BrTO Consolidated (Continued)

| | R\$ Million | | |
|--------------------------------|----------------|----------------|----------------|
| Balance Sheet | 9/30/08 | 6/30/09 | 9/30/09 |
| TOTAL ASSETS | 16,837 | 17,142 | 22,993 |
| Current | 6,212 | 6,199 | 6,071 |
| Cash | 157 | 1,297 | 173 |
| Financial investments | 1,514 | 317 | 1,464 |
| Accounts Receivable | 2,272 | 2,092 | 2,175 |
| Recoverable Taxes | 1,386 | 1,328 | 1,370 |
| Inventories | 8 | 49 | 44 |
| Other Current Assets | 876 | 1,116 | 845 |
| Non-Current Assets | 10,625 | 10,943 | 16,923 |
| Long Term | 3,629 | 4,071 | 8,355 |
| Recoverable and Deferred Taxes | 1,594 | 2,169 | 4,543 |
| Assets in Escrow | 1,943 | 1,427 | 2,016 |
| Other | 93 | 475 | 1,796 |
| Investments | 100 | 5 | 5 |
| Property Plant and Equipment | 5,460 | 5,228 | 6,953 |
| Intangible Assets | 1,435 | 1,638 | 1,610 |
| Balance Sheet | 9/30/08 | 6/30/09 | 9/30/09 |
| TOTAL LIABILITIES | 16,837 | 17,142 | 22,993 |
| Current | 5,082 | 4,847 | 4,349 |
| Suppliers | 1,483 | 1,362 | 1,344 |
| Loans and Financing | 624 | 957 | 1,017 |
| Payroll and Related Accruals | 203 | 125 | 154 |
| Payable Taxes | 1,373 | 1,007 | 815 |
| Dividends Payable | 274 | 330 | 105 |
| Other Accounts Payable | 1,125 | 1,067 | 913 |
| Non-Current Liabilities | 5,564 | 6,849 | 6,949 |
| Long Term | 5,564 | 6,849 | 6,949 |
| Loans and Financing | 3,626 | 3,867 | 3,524 |
| Payable and Deferred Taxes | 292 | 548 | 658 |
| Contingency Provisions | 657 | 933 | 1,225 |
| Outstanding authorizations | 190 | 652 | 673 |
| Other Accounts Payable | 799 | 849 | 869 |
| Minority Interest | (4) | (3) | 0 |
| Shareholders Equity | 6,196 | 5,449 | 11,695 |

October 22, 2009

www.oi.com.br/ir

31

6.5) 14 Brasil Telecom Celular - BrT Móvel

| Income Statement | 3Q08 | 2Q09 | 3Q09 | R\$ Million | | |
|--|---------------|----------------|---------------|----------------|----------------|----------------|
| | | | | 9M08 | 9M09 | |
| Wireless Services Revenues | 657.4 | 626.0 | 650.2 | 1,861.3 | 1,886.6 | |
| <i>Subscription</i> | 100.6 | 107.6 | 112.4 | 296.1 | 325.5 | |
| <i>Outgoing Calls</i> | 172.5 | 164.3 | 160.6 | 463.4 | 493.9 | |
| <i>Domestic/Internacional Roaming</i> | 2.3 | 3.3 | 3.7 | 12.0 | 10.1 | |
| <i>Network Usage Remuneration</i> | 285.6 | 253.8 | 291.3 | 819.6 | 791.9 | |
| <i>Data / Value Added</i> | 37.9 | 63.4 | 60.2 | 112.9 | 181.9 | |
| <i>Handset Sales</i> | 58.5 | 33.7 | 22.0 | 157.3 | 83.4 | |
| Gross Operating Revenue | 657.4 | 626.0 | 650.2 | 1,861.3 | 1,886.6 | |
| Taxes and Deductions | (170.8) | (164.2) | (162.2) | (476.3) | (490.3) | |
| Net Operating Revenue | 486.5 | 461.8 | 487.9 | 1,385.0 | 1,396.3 | |
| Operating Expenses | (413.2) | (432.8) | (374.5) | (1,265.9) | (1,201.4) | |
| <i>Cost of Services Provided</i> | (90.7) | (94.3) | (89.8) | (270.8) | (276.8) | |
| <i>Cost of Goods Sold</i> | (71.2) | (46.1) | (26.9) | (222.0) | (137.2) | |
| <i>Interconnection Costs</i> | (136.6) | (135.3) | (150.4) | (426.0) | (408.9) | |
| <i>Selling Expenses</i> | (95.8) | (132.8) | (81.7) | (290.5) | (311.8) | |
| <i>General and Administrative Expenses</i> | (18.2) | (24.2) | (24.7) | (54.1) | (65.5) | |
| <i>Other Operating (Expenses) Revenue, net</i> | (0.7) | 0.0 | (0.9) | (2.5) | (1.1) | |
| EBITDA | 73.4 | 29.0 | 113.5 | 119.1 | 194.9 | |
| <i>Margin %</i> | <i>15.1%</i> | <i>6.3%</i> | <i>23.3%</i> | <i>8.6%</i> | <i>14.0%</i> | |
| Depreciation and Amortization | (107.5) | (133.6) | (134.8) | (309.8) | (396.6) | |
| EBIT | (34.1) | (104.6) | (21.3) | (190.7) | (201.7) | |
| Financial Expenses | (39.6) | (25.1) | (28.6) | (76.7) | (76.5) | |
| Financial Income | 50.4 | 55.1 | 39.3 | 136.6 | 140.5 | |
| Income Before Tax and Social Contribution | (23.3) | (74.5) | (10.5) | (130.8) | (137.7) | |
| Income Tax and Social Contribution | (2.7) | 24.4 | 3.6 | 40.0 | 44.9 | |
| Net Income | (26.0) | (50.1) | (6.9) | (90.8) | (92.8) | |
| <i>Margin %</i> | <i>-5.3%</i> | <i>-10.8%</i> | <i>-1.4%</i> | <i>-6.6%</i> | <i>-6.6%</i> | |
| Balance Sheet | | | | 9/30/08 | 6/30/09 | 9/30/09 |
| TOTAL ASSETS | | | | 4,551 | 4,648 | 4,783 |
| Current | | | | 1,970 | 1,638 | 1,745 |
| Cash | | | | 6 | 13 | 23 |

Edgar Filing: BRASIL TELECOM SA - Form 6-K

| | | | |
|--------------------------------|--------------|--------------|--------------|
| Financial investments | 851 | 622 | 633 |
| Accounts Receivable | 172 | 207 | 216 |
| Recoverable Taxes | 174 | 181 | 175 |
| Inventories | 1 | 47 | 40 |
| Other Current Assets | 766 | 569 | 659 |
| Non-Current Assets | 2,581 | 3,010 | 3,038 |
| Long Term | 689 | 1,081 | 1,123 |
| Recoverable and Deferred Taxes | 675 | 760 | 766 |
| Other | 14 | 321 | 357 |
| Property Plant and Equipment | 958 | 977 | 1,017 |
| Intangible Assets | 934 | 952 | 898 |
| TOTAL LIABILITIES | 4,551 | 4,648 | 4,783 |
| Current | 1,010 | 605 | 707 |
| Suppliers | 320 | 301 | 327 |
| Loans and Financing | 2 | 7 | 8 |
| Payroll and Related Accruals | 12 | 7 | 7 |
| Payable Taxes | 83 | 90 | 84 |
| Outstanding authorizations | 508 | 96 | 93 |
| Other Accounts Payable | 86 | 103 | 189 |
| Non-Current Liabilities | 403 | 1,054 | 1,095 |
| Long Term | 403 | 1,054 | 1,095 |
| Loans and Financing | 152 | 311 | 323 |
| Payable Taxes | 14 | 45 | 53 |
| Contingency Provisions | 20 | 18 | 18 |
| Outstanding authorizations | 190 | 648 | 669 |
| Other Accounts Payable | 27 | 32 | 32 |
| Shareholders Equity | 3,137 | 2,989 | 2,981 |

October 22, 2009

www.oi.com.br/ir

32

RELEVANT INFORMATION

I) CVM instruction 358, article 12: The controlling shareholders, direct or indirect, and the shareholders electing members of the Board of Directors or the Statutory Audit Committee, as well as any individual or company, or group of people acting together or representing a similar interest, reaching participation, direct or indirect, of 5% (five per cent) or more of a type or class of shares representing the capital of a public company capital, must inform the CVM, and the Company in accordance with terms of the article.

Oi guides its shareholders to comply with the terms of article 12 of CVM Instruction 358, however it cannot be held responsible for the disclosure of information on acquisition or sale, by third parties, of participation that corresponds to 5% or more of a type or class of shares that represents its capital or that is entitled to rights over these shares and further securities issued.

| Shares TNE | Capital | Treasury | Controlling Shares | Free-Float |
|--------------|--------------------|------------------|--------------------|--------------------|
| Common | 130,611,732 | 3,036,149 | 68,504,187 | 59,071,396 |
| Preferred | 261,223,463 | 6,343,103 | 0 | 254,880,360 |
| Total | 391,835,195 | 9,379,252 | 68,504,187 | 313,951,756 |

| Shares TMAR | Capital | Treasury | Controlling Shares | Free-Float |
|---------------|--------------------|----------------|--------------------|-------------------|
| Common | 107,063,093 | 0 | 104,227,873 | 2,835,220 |
| Preferred (A) | 130,487,295 | 223,500 | 104,329,417 | 25,934,378 |
| Preferred (B) | 1,063,967 | 0 | 6 | 1,063,961 |
| Total | 238,614,355 | 223,500 | 208,557,296 | 29,833,559 |

| Shares BRTP | Capital | Treasury | Controlling Shares | Free-Float |
|--------------|--------------------|------------------|--------------------|--------------------|
| Common | 134,031,688 | 1,480,800 | 121,545,213 | 11,005,675 |
| Preferred | 229,937,525 | 0 | 76,645,842 | 153,291,683 |
| Total | 363,969,213 | 1,480,800 | 198,191,055 | 164,297,358 |

| Shares BRTO | Capital | Treasury | Controlling Shares | Free-Float |
|--------------|--------------------|-------------------|--------------------|--------------------|
| Common | 249,597,049 | 0 | 247,948,052 | 1,648,997 |
| Preferred | 311,353,240 | 13,231,556 | 179,867,686 | 118,253,998 |
| Total | 560,950,289 | 13,231,556 | 427,815,738 | 119,902,995 |

OBS: Shareholder structure as of September 30, 2009

II) This report contains forecasts and/or estimates regarding future events. These projections were carefully compiled based on the present scenario and work in progress, together with the corresponding expectations. The use of forward-looking statements, such as, but not limited to: project, estimate, expect, predict, plan, anticipate, is intended to indicate possible trends that, inevitably, involve uncertainty and risk and future results may differ from current expectations. Oi cannot be held responsible for the transactions or investment decisions of third parties based on these forecasts and/or estimates. The information presented has not been audited and may therefore differ from the final audited results.

Oi Investor Relations

Roberto Terziani

55 (21) 3131-1208

rterziani@oi.net.br

Carolina Gava Silveira

55 (21) 3131-1314

ana.silveira@oi.net.br

Flávia Menezes de Oliveira

55 (21) 3131-1332

flavia@oi.net.br

Global Consulting Group

Lucia Domville

1 (646) 284-9416

ldomville@hfgcg.com

October 22, 2009

www.oi.com.br/ir

34

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 22, 2009

BRASIL TELECOM S.A.

By: /s/ ALEX WALDEMAR ZORNIG
Name: Alex Waldemar Zornig
Title: Chief Financial Officer