

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)

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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):

Investor Relations
CONFERENCE CALL **3Q09**
October 23, **2009**

Oi
and BrT
Integration
Status of the Process of Operational Integration
Market and Channels
9M09 Achievements
100%
of

mobile
service
retail
sales
made
in
the
new
portfolio
Unique operating model for
sales and service
Distribution
model
restructuring
in
Region
II,
focused
on
small
retail
and
virtual
recharge
Authorized
Agents
focused
on
the
post
paid
segment
Differentiated
actions
by
client
profile
in
Business
market
National
coverage
consolidation
for
Corporate
segment
Engineering and Network
Opex
Synergies
Consolidation

of
just
one
NOC*
to
provide
an
integrated
vision
and
management
for
the
entire
network
Implementation
of
a
model
of
a
single
supplier
to
service
internal
plant
requirements
in
Regions I and III
Integration
of
network
development,
planning,
and
operation
activities
Main
actions
aimed
to
seize
Cost
synergies
Implementation
of
the
last
stage

of
company's
administrative
restructuring
Review
of
logistics
models
Adoption
of
sim-card
alone
strategy to reduce COGS
Reduction
in
roaming
costs
Main actions to rationalize
Capex:
Supplier
Consolidation
Optimization
of
IT
investments
Renegotiation
with
third
parties
2
Investor Relations
* Network Operational Center

Oi
and BrT
Integration
Corporate
Restructuring
Status:
as
of

4Q09,
100%
of
the
good will
amortization
will
generate fiscal benefits

3
Investor Relations|

07/31/09:

1st Stage of the Corporate Simplification

Copart

2

Copart

2

Copart

1

Copart

1

100%

82%

100%

100%

100%

19%

67%

11%

36%

100%

67%

82%

BrTP

BrTP

100%

67%

82%

100%

82%

Companies Merged

TMAR

TNL

Coari

Coari

TMAR

TNL

BrTP

BrTP

BrTO

BrTO

TNL
TNL
TMAR
TMAR
Coari
Coari
BrTO
BrTO
Invitel/
Solpart
55%
55%
48%

Consolidated RGUs
Million
+14.2%
53.0
60.5
3Q08
3Q09
Net

Additions

Customer Base

Million

7.5

Fixed Lines

Broadband*

Mobile

-3.0%

* Includes Oi

TV's

cable users (52,000 clients)

Consolidated Revenue Generating Units

7 million

new

customers

were

added

in

the

last

12

months,

mainly

mobile

and

broadband

12.5%

28,4%

4

Investor Relations

3Q08

3Q09

3Q08

3Q09

3Q08

3Q09

Total broadband net additions

in 3Q09: 154 thousand (76

thousand fixed broadband and 78 thousand in 3G, mainly

mini-modems)

Fixed + mobile broadband: 4.5 mn

clients

Consolidated Mobile Users
São
Paulo
leads
net
adds
in
past

12
months;
Oi
Conta
Total
represents
37%
of
Region
I's
post paid base
Mobile Customer Base

Million

27.1

3Q08

3Q09

RI

Net Additions

RII

RIII

1.7

1.6

4.4

34.8

22.7

4.4

29.2

5.6

Prepaid

89% of net additions in the last 12 months

84% of total mobile customer base by end of
the quarter

Post-Paid + Control Plan

Oi
Conta
Total
amounted to 1.5 mn
in Sept 09
(~700
th.
plans),
58%
above
Sept
08

Bundle product accounted for 37% of Oi's
Region I post-paid users (area where product is
available)

National Market Share of 21.0% in Sept 09, as
follows:

29% in Region I (leader)

16% in Region II (14.3% in Sept/08)

10.5% in Region III (11 months after start-up)

Post-paid+

Control Plans

Prepaid

7.6%

30.4%

5

Investor Relationsl

Financial Performance
Consolidated Gross Revenue
Mobile
and
Broadband
as
main
growth

drivers
for
revenues;
Strong
Mobile
Value
Added
Service
3Q08
3Q09
Consolidated Gross Revenue

11,193

11,597

0.8%

3Q8

Fixed

Mobile

3.6%

R\$ Million

Consolidated

Gross

Fixed

Revenues

Growth

3Q09

x

3Q08

R\$ million

Data

F-M

Local

Data and

VAS

TOTAL

14.8%

Local

Consolidated

Gross

Mobile

Revenues

Growth

3Q09

x

3Q08

R\$ million

6

Investor Relationsl

* Includes Fixed-Fixed, Fixed-Mobile and Mobile-Originated Long Distance

Network

Usage
LD*
Public
Phones
Subscripti
ons
TOTAL
Data
Network
Usage
Originated
Calls
Handset
Revenue
Roaming

Financial Performance

Consolidated Costs & Expenses and EBITDA

Recurring Costs decreased and Recurring EBITDA showed recovered in 3Q09

7

Investor Relations

3Q08

3Q09

Recurring and

Comparable
Consolidated Operating Costs and Expenses
R\$ Million
Consolidated
EBITDA

Oi
(TNE)
R\$ Million; Margin %
EBITDA Margin
34.0%
35.1%
3Q08
3Q09
Recurring
non-recurring items
-
5.8%
+ 3.0%

Other Items in the Consolidated Result

Although still not able to have full tax benefits related to total goodwill amortized, this was not enough to reverse quarterly result

Consolidated Net Financial Result

R\$ Million

Net Income

R\$ Million

3Q08

3Q09

3Q08

3Q09

-R\$81 mn

Depreciation and Amortization

R\$ Million

3Q08

3Q09

+R\$231 mn

8

Investor Relations|

Factors affecting net income:

Higher net financial expenses

Goodwill amortization derived from the
acquisition of Brasil
Telecom

Temporary fiscal effects (amortization
expenses without benefits of tax credits)

Non-recurring operating expenses due to the
acquisition of BRTO and start-up in São Paulo

Financial Performance: Consolidated Debt
Non-recurring effects and temporary fiscal effects related to goodwill amortization for
BRTO s
acquisition affected quarterly result
Consolidated Gross Debt
R\$ Billion
Sep/08

Jun/09

17.8

29.6

Local Currency

Foreign Currency

Sep/09

28.6

Sep/08

Jun/09

Sep/09

Consolidated Net Debt

R\$ Billion

Gross Debt Amortization

R\$ Billion

2010

2011

2012

2013

2014

onwards

9

Investor Relations

2009

Foreign exchange exposure: 1.8% of total debt as of
September/09

Effective cost of debt: 9.5% (vs
11.45% in 2Q09)

Net Debt/Recurring EBITDA: 2.1x (LTM)

Consolidated CAPEX :

17.8% of 3Q09 net revenue (vs. 19.5%
in 3T08); 14.3% of 9M09 net revenues

77% directed to growth business (46%
Mobile and 31% Data/Broadband)

Fixed Telephony Capex:

Reduction stems from high volume in 3Q08 earmarked to adapt the switching centers to portability, despite higher investments to expand broadband capacity and coverage

Mobile Telephony Capex:

Increase to expand network and quality
Financial Performance: Consolidated CAPEX

77%
of
CAPEX
is
earmarked
to
growth
businesses:
Wireless
segment
and
Data
Transmission / broadband
CAPEX
R\$ Million
3Q08
3Q09
1,345
Fixed
Mobile
1,474
-8.8%
10
Investor Relations
3,190
9M09

Q & A

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 23, 2009

BRASIL TELECOM S.A.

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