

BRASIL TELECOM SA  
Form 6-K  
January 30, 2008

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**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 6-K**

**REPORT OF FOREIGN ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**THROUGH January 29, 2008**

**(Commission File No. 1-15256)**

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**BRASIL TELECOM S.A.**

*(Exact name of Registrant as specified in its Charter)*

**BRAZIL TELECOM COMPANY**

*(Translation of Registrant's name into English)*

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**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

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

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**GROSS REVENUE OF R\$ 4.1 BILLION AND  
NET INCOME OF R\$ 211.4 MILLION IN THE 4Q07**

**Brasília, January 29, 2008 - Brasil Telecom S.A. (BOVESPA: BRTO3/BRTO4; NYSE: BTM) announces its consolidated results for the fourth quarter of 2007 (4Q07).** The Company's financial statements are presented in millions of Reais, except where stated otherwise, and prepared in conformity with generally accepted accounting principles in Brazil.

**HIGHLIGHTS**

- **Consolidated gross revenue** came to R\$4,130.2 million in the 4Q07, 3.2% up on the 4Q06. **Consolidated net revenue** totaled R\$2,876.1 million in the 4Q07, 4.9% up on the 4Q06.
- **Recurring EBITDA** in the 4Q07 came to R\$985.7 million, 18.5% higher than in the 4Q06. However, due to the impact of non-recurring items, the EBITDA recorded in the 4Q07 amounted to R\$907.9 million, 4.5% lower than in the 4Q06.
- **Annual EBITDA** stood at R\$3,814.2 million, 8.8% higher than the R\$3,505.1 million recorded in 2006.
- Sustaining the positive results reached in every quarter in 2007, **BrT Móvel's EBITDA** stood at R\$ 10.3 million in the 4Q07, R\$ 44.1 million up on the same period the year before. The **EBITDA margin** of the mobile operations came to 2.1%, 10.2 p.p. up on the 4Q06.
- **BrT Móvel** achieved another milestone: more than 4 million users in a little less than 3 years of operations. At the end of the 4Q07, the company had 4.3 million **mobile users**, 26.2% more than in the 4Q06, while the Brazilian market moved up by 21.1% in the same period
- **1,567.8 ADSL users** at the end of 2007, 19.0% more than in the 4Q06. The ADSL ARPU recorded in the 4Q07 stood at R\$72.1, 0.8% higher than the R\$71.5 recorded in the 4Q06.
- **Internet Group providers** closed the quarter with 1.4 broadband subscribers, 26.3% up on the 4Q06, maintaining its market leadership in Region II.
- **Consolidated mobile service gross revenue** stood at R\$ 468.1 million, 19.9% more than in the 4Q06. BrT Móvel's service revenue totaled R\$ 582.2 million, 17.9% up on the 4Q06.
- **Gross data communication revenue** reached R\$ 735.3 million, 18.1% higher than in the 4Q06.
- **Annual consolidated net income** totaled R\$797.3 million, 84.4% up on 2006.

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*Brasil Telecom Participações S.A. controls Brasil Telecom S.A., a telecommunications company that provides wireline services, including national and international calls, and mobile telephony, as well as public telephony, data communication, network and supplementary and value-added services in the states of Rondônia, Acre, Mato Grosso, Mato Grosso do Sul, Tocantins, Goiás, Santa Catarina, Paraná and Rio Grande do Sul and in the Federal District. Its coverage area corresponds to 24% of the population (approximately 44 million), 27% of GDP (around R\$ 420 billion in 2003) and 33% of national territory (close to 2.8 million km<sup>2</sup>).*

## INCOME STATEMENT

R\$ Million	4Q06	3Q07	4Q07	Δ Quarter	Δ 12 Months	12M06	12M07	Δ Year
<b>GROSS REVENUES</b>	<b>4,001.9</b>	<b>3,997.3</b>	<b>4,130.2</b>	<b>3.3%</b>	<b>3.2%</b>	<b>15,111.3</b>	<b>15,997.4</b>	<b>5.9%</b>
<b>FIXED TELEPHONY</b>	<b>2,892.7</b>	<b>2,752.7</b>	<b>2,852.0</b>	<b>3.6%</b>	<b>-1.4%</b>	<b>11,421.3</b>	<b>11,204.4</b>	<b>-1.9%</b>
Local Service	1,722.5	1,624.5	1,659.3	2.1%	-3.7%	6,929.0	6,566.3	-5.2%
Public Telephony	138.4	138.8	137.8	-0.7%	-0.5%	540.6	546.0	1.0%
Long Distance Service	721.5	720.0	743.5	3.3%	3.1%	2,770.1	2,947.5	6.4%
Interconnection	113.9	82.5	107.8	30.6%	-5.4%	442.1	357.7	-19.1%
Lease of Means	81.5	86.6	95.5	10.3%	17.2%	328.4	357.9	9.0%
Supplementary and Value Added Services	103.0	92.4	99.3	7.4%	-3.6%	367.6	394.0	7.2%
Other	11.8	7.8	8.8	12.3%	-25.8%	43.5	35.2	-19.1%
<b>MOBILE TELEPHONY *</b>	<b>486.8</b>	<b>539.6</b>	<b>542.9</b>	<b>0.6%</b>	<b>11.5%</b>	<b>1,426.3</b>	<b>2,023.7</b>	<b>41.9%</b>
Services	390.4	478.8	468.1	-2.2%	19.9%	1,140.1	1,753.2	53.8%
Merchandise Sales (Handsets and Accessories)	96.4	60.8	74.8	23.1%	-22.4%	286.2	270.5	-5.5%
<b>D A T A COMMUNICATIONS</b>	<b>622.5</b>	<b>704.9</b>	<b>735.3</b>	<b>4.3%</b>	<b>18.1%</b>	<b>2,263.8</b>	<b>2,769.2</b>	<b>22.3%</b>
Deductions	(1,260.9)	(1,249.0)	(1,254.1)	0.4%	-0.5%	(4,814.7)	(4,938.8)	2.6%
<b>NET REVENUES</b>	<b>2,741.0</b>	<b>2,748.3</b>	<b>2,876.1</b>	<b>4.7%</b>	<b>4.9%</b>	<b>10,296.7</b>	<b>11,058.5</b>	<b>7.4%</b>
<b>OPERATING COSTS AND EXPENSES</b>	<b>(1,790.5)</b>	<b>(1,773.6)</b>	<b>(1,968.2)</b>	<b>11.0%</b>	<b>9.9%</b>	<b>(6,791.5)</b>	<b>(7,244.3)</b>	<b>6.7%</b>
Personnel	(154.4)	(158.1)	(180.8)	14.3%	17.1%	(662.0)	(644.3)	-2.7%
Materials	(122.9)	(92.9)	(108.3)	16.6%	-11.8%	(412.0)	(380.2)	-7.7%
Subcontracted Services	(582.5)	(556.5)	(581.3)	4.5%	-0.2%	(2,225.5)	(2,262.1)	1.6%
Interconnection	(573.8)	(558.0)	(613.9)	10.0%	7.0%	(2,114.9)	(2,318.9)	9.6%
Advertising and Marketing	(47.3)	(39.3)	(64.8)	64.8%	36.9%	(149.1)	(164.4)	10.3%
Provisions and Losses	(248.5)	(210.8)	(297.2)	40.9%	19.6%	(871.5)	(997.7)	14.5%
Other	(61.2)	(158.0)	(122.0)	-22.8%	99.4%	(356.6)	(476.8)	33.7%
<b>EBITDA</b>	<b>950.5</b>	<b>974.6</b>	<b>907.9</b>	<b>-6.9%</b>	<b>-4.5%</b>	<b>3,505.1</b>	<b>3,814.2</b>	<b>8.8%</b>
<b>EBITDA Margin</b>	<b>34.7%</b>	<b>35.5%</b>	<b>31.6%</b>	<b>-3.9 p.p.</b>	<b>-3.1 p.p.</b>	<b>34.0%</b>	<b>34.5%</b>	<b>0.4 p.p.</b>
Depreciation and Amortization	(717.4)	(606.4)	(584.4)	-3.6%	-18.5%	(2,721.8)	(2,465.0)	-9.4%
<b>EARNINGS BEFORE FINANCIAL RESULT (EBIT)</b>	<b>233.1</b>	<b>368.2</b>	<b>323.5</b>	<b>-12.2%</b>	<b>38.8%</b>	<b>783.3</b>	<b>1,349.3</b>	<b>72.3%</b>
Financial Result	(64.3)	(61.2)	(145.5)	137.7%	126.3%	(638.6)	(613.5)	-3.9%
Financial Revenues	248.2	100.5	132.8	32.2%	-46.5%	582.9	435.9	-25.2%
Financial Expenses	(208.6)	(161.7)	(172.9)	6.9%	-17.1%	(872.5)	(699.0)	-19.9%
Interest on Own Capital	(103.9)	-	(105.4)	N.A.	N.A.	(348.9)	(350.4)	0.4%

<b>EARNINGS AFTER FINANCIAL RESULT</b>	<b>168.8</b>	<b>307.0</b>	<b>178.0</b>	<b>-42.0%</b>	<b>5.4%</b>	<b>144.7</b>	<b>735.8</b>	<b>408.4%</b>
Non-Operating Revenues (Expenses)	54.6	3.6	(11.6)	N.A.	N.A.	30.9	(2.5)	N.A.
Goodwill Amortization	(0.3)	-	-	#DIV/0!	N.A.	(1.0)	(0.1)	-87.7%
Other	54.8	3.6	(11.6)	N.A.	N.A.	31.9	(2.3)	N.A.
<b>EARNINGS BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES</b>	<b>223.4</b>	<b>310.6</b>	<b>166.3</b>	<b>-46.4%</b>	<b>-25.5%</b>	<b>175.6</b>	<b>733.3</b>	<b>317.6%</b>
Income and Social Contribution Taxes	(74.0)	(115.9)	(60.8)	-47.5%	-17.8%	(95.0)	(288.3)	203.4%
<b>EARNINGS BEFORE PROFIT SHARING</b>	<b>149.3</b>	<b>194.7</b>	<b>105.5</b>	<b>-45.8%</b>	<b>-29.4%</b>	<b>80.6</b>	<b>445.1</b>	<b>452.4%</b>
Minority Interest	1.3	1.1	0.5	-50.2%	-59.9%	2.9	1.8	-37.4%
<b>EARNINGS BEFORE REVERSION OF INTEREST ON OWN CAPITAL</b>	<b>150.7</b>	<b>195.7</b>	<b>106.0</b>	<b>-45.8%</b>	<b>-29.6%</b>	<b>83.5</b>	<b>446.9</b>	<b>435.2%</b>
Reversion of Interest on Own Capital	103.9	-	105.4	N.A.	N.A.	348.9	350.4	0.4%
<b>NET INCOME</b>	<b>254.6</b>	<b>195.7</b>	<b>211.4</b>	<b>8.0%</b>	<b>-17.0%</b>	<b>432.4</b>	<b>797.3</b>	<b>84.4%</b>
Net Income/shares - R\$ **	0.4652	0.3577	0.3863	8.0%	-17.0%	0.7901	1.4568	84%
Net Income/ADR - US\$	1.0879	0.9725	1.9317	98.6%	77.6%	1.8477	7.2842	294%

\* The values of 4Q06 were reclassified, including the data communications revenue (VAS).

\*\*The values of 4Q06 are per 1,000 shares.

**BRT MÓVEL**

<b>R\$ Million</b>	<b>4Q06</b>	<b>3Q07</b>	<b>4Q07</b>	<b>Δ Quarter</b>	<b>Δ 12 Months</b>	<b>12M06</b>	<b>12M07</b>	<b>Δ Year</b>
<b>GROSS REVENUES</b>	<b>590.3</b>	<b>638.3</b>	<b>657.1</b>	<b>2.9%</b>	<b>11.3%</b>	<b>1,789.0</b>	<b>2,445.8</b>	<b>36.7%</b>
<b>Services</b>	<b>493.9</b>	<b>577.5</b>	<b>582.2</b>	<b>0.8%</b>	<b>17.9%</b>	<b>1,502.8</b>	<b>2,175.3</b>	<b>44.8%</b>
Subscription	104.5	114.3	104.2	-8.9%	-0.3%	305.4	433.6	42.0%
Utilization	129.4	158.1	153.3	-3.0%	18.5%	417.6	561.7	34.5%
Interconnection	220.8	262.5	284.0	8.2%	28.6%	633.4	1,032.1	62.9%
Other Revenues	12.2	13.0	9.4	-28.0%	-23.2%	43.4	43.5	0.3%
Data Communications	27.2	29.6	31.4	5.8%	15.4%	103.0	104.4	1.4%
<b>Merchandise Sales (Handsets and Accessories)</b>	<b>96.4</b>	<b>60.8</b>	<b>74.8</b>	<b>23.1%</b>	<b>-22.4%</b>	<b>286.2</b>	<b>270.5</b>	<b>-5.5%</b>
Deductions	(171.2)	(189.8)	(174.2)	-8.2%	1.7%	(541.6)	(699.9)	29.2%
<b>NET REVENUES</b>	<b>419.1</b>	<b>448.5</b>	<b>482.9</b>	<b>7.7%</b>	<b>15.2%</b>	<b>1,247.4</b>	<b>1,745.9</b>	<b>40.0%</b>
<b>OPERATING COSTS AND EXPENSES</b>	<b>(452.9)</b>	<b>(414.5)</b>	<b>(472.5)</b>	<b>14.0%</b>	<b>4.3%</b>	<b>(1,389.7)</b>	<b>(1,692.1)</b>	<b>21.8%</b>
Personnel	(19.0)	(18.6)	(18.7)	0.9%	-1.5%	(75.4)	(73.8)	-2.1%
Materials	(98.1)	(69.8)	(86.4)	23.7%	-12.0%	(318.0)	(290.9)	-8.5%
Subcontracted Services	(101.5)	(87.3)	(100.9)	15.6%	-0.6%	(368.6)	(372.6)	1.1%
Interconnection	(131.3)	(150.9)	(165.4)	9.6%	25.9%	(287.6)	(590.9)	105.5%
Advertising and Marketing	(14.6)	(8.8)	(16.3)	84.8%	11.1%	(51.0)	(52.4)	2.8%
Provisions and Losses	(20.6)	(16.6)	(23.9)	43.6%	15.8%	(50.2)	(75.5)	50.5%
Other	(67.6)	(62.5)	(61.1)	-2.4%	-9.7%	(238.9)	(235.9)	-1.3%
<b>EBITDA</b>	<b>(33.8)</b>	<b>34.0</b>	<b>10.3</b>	<b>-69.6%</b>	<b>N.A.</b>	<b>(142.3)</b>	<b>53.9</b>	<b>N.A.</b>
								<b>14.5</b>
<b>EBITDA Margin</b>	<b>-8.1%</b>	<b>7.6%</b>	<b>2.1%</b>	<b>-5.4 p.p.</b>	<b>10.2 p.p.</b>	<b>-11.4%</b>	<b>3.1%</b>	<b>p.p.</b>
Depreciation and Amortization	(90.4)	(96.1)	(100.2)	4.3%	10.8%	(335.0)	(386.0)	15.2%
<b>EARNINGS BEFORE FINANCIAL RESULT</b>	<b>(124.2)</b>	<b>(62.1)</b>	<b>(89.8)</b>	<b>44.7%</b>	<b>-27.6%</b>	<b>(477.4)</b>	<b>(332.1)</b>	<b>-30.4%</b>
Financial Result	(5.1)	17.0	15.8	-7.2%	N.A.	(34.4)	60.6	-276.2%
Financial Revenues	9.3	33.1	37.2	12.5%	299.2%	18.6	118.7	537.2%
Financial Expenses	(14.4)	(16.0)	(21.4)	33.4%	48.3%	(53.1)	(58.1)	9.5%
<b>EARNINGS AFTER FINANCIAL RESULT</b>	<b>(129.3)</b>	<b>(45.0)</b>	<b>(74.0)</b>	<b>64.4%</b>	<b>-42.7%</b>	<b>(511.8)</b>	<b>(271.4)</b>	<b>-47.0%</b>
Non-Operating Revenues (Expenses)	(0.0)	-	(3.8)	#DIV/0!	N.A.	(0.4)	(2.5)	N.A.
<b>EARNINGS BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES</b>	<b>(129.3)</b>	<b>(45.0)</b>	<b>(77.8)</b>	<b>72.7%</b>	<b>-39.8%</b>	<b>(512.2)</b>	<b>(273.9)</b>	<b>-46.5%</b>
	43.4	15.2	26.4	73.3%	-39.2%	173.2	92.4	-46.7%

Income and Social  
Contribution Taxes

<b>NET EARNINGS (LOSSES)</b>	<b>(85.8)</b>	<b>(29.8)</b>	<b>(51.4)</b>	<b>72.5%</b>	<b>-40.1%</b>	<b>(338.9)</b>	<b>(181.5)</b>	<b>-46.4%</b>
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Brasil Telecom S.A.

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**OPERATING PERFORMANCE****WIRESLINE****Network****Table 1: Operating Data**

<b>FIXED LINE PLANT</b>	<b>4Q06</b>	<b>3Q07</b>	<b>4Q07</b>	<b>Δ Quarter</b>	<b>Δ 12 Months</b>
<b>Lines Installed (Thousand)</b>	<b>10,423.0</b>	<b>10,368.1</b>	<b>10,376.5</b>	<b>0.1%</b>	<b>-0.4%</b>
Additional Lines Installed (Thousand)	(371.6)	(7.1)	8.4	N.A.	N.A.
<b>Lines in Service - LIS (Thousand)</b>	<b>8,417.7</b>	<b>8,064.2</b>	<b>8,033.9</b>	<b>-0.4%</b>	<b>-4.6%</b>
Residential	5,556.3	5,443.7	5,420.2	-0.4%	-2.5%
Non-Residential	1,282.4	1,224.4	1,228.2	0.3%	-4.2%
Public Telephones	277.9	282.0	281.8	-0.1%	1.4%
Hybrid Terminals	633.3	465.7	440.9	-5.3%	-30.4%
Other (Including PBX)	667.8	648.4	662.8	2.2%	-0.7%
Additional LIS (Thousand)	(205.6)	(65.2)	(30.3)	-53.6%	-85.3%
<b>Active Lines (LIS - Blocked Lines)</b>	<b>8,138.6</b>	<b>7,862.1</b>	<b>7,846.1</b>	<b>-0.2%</b>	<b>-3.6%</b>
<b>Blocked Lines</b>	<b>279.0</b>	<b>202.1</b>	<b>187.8</b>	<b>-7.1%</b>	<b>-32.7%</b>
<b>Average LIS (Thousand)</b>	<b>8,520.4</b>	<b>8,096.8</b>	<b>8,049.1</b>	<b>-0.6%</b>	<b>-5.5%</b>
LIS/100 Inhabitants	19.4	18.3	18.2	-0.4%	-6.0%
Public Telephones/1,000 Inhabitants	6.4	6.4	6.4	-0.1%	-0.2%
Public Phones/100 Lines Installed	2.7	2.7	2.7	-0.2%	1.9%
<b>Utilization Rate</b>	<b>80.8%</b>	<b>77.8%</b>	<b>77.4%</b>	<b>-0.4 p.p.</b>	<b>-3.3 p.p.</b>

**In the 4Q07, Brasil Telecom had more than 3.5 million local wireline alternative plan lines, an increase of 24.3% over the 4Q06.** At the close of the year, the share of local alternative plans came to 44.1% of the lines in service as a result of the strategy of approaching the market in an increasingly segmented manner.

Brasil Telecom consolidated its positioning focused on **increasing wireline value**. Promotions for new clients are concentrated in the **Full Bill** plan, which offers unlimited calls at night and on weekends. In this period, the Company also launched **Flat Fee** promotions offering unlimited local calls in locations with low traffic. These features have made the **Full Bill** plan the clients' first choice, reaching over 1.6 million clients in the first year.

For the low-income segment, Brasil Telecom launched a new plan focused on expense control and a single package for fixed and mobile calls, **Total Control**. A pre-paid plan that offers clients three package choices: 50, 100 and 200 minutes.

The Company's strategy to build customer loyalty and retain the base is based on the bundling of several products for high-value clients, such as **Brazil Total** packages, which include intelligent services, broadband and local fixed, national long-distance and mobile telephony.

In December 2007, Brasil Telecom complemented its portfolio with its **Tailor-made Bill** plan, which is specific for the corporate and government markets and allows clients to share contracted minutes with a number of wirelines, adjusting the plan to their needs in a simple and cost-saving manner.

## Traffic

**Table 2: Traffic**

TRAFFIC	4Q06	3Q07	4Q07	Δ Quarter	Δ 12 Months	12M06	12M07	Δ Year
<b>Exceeding Local Pulses (Million)</b>	<b>2,113.6</b>	<b>377.6</b>	<b>-</b>	<b>-100.0%</b>	<b>-100.0%</b>	<b>8,774.7</b>	<b>3,028.3</b>	<b>-65.5%</b>
<b>Minutos Excedentes (Milhões)</b>	<b>-</b>	<b>2,106.8</b>	<b>2,631.4</b>	<b>24.9%</b>	<b>N.A.</b>	<b>-</b>	<b>5,352.2</b>	<b>N.A.</b>
<b>VC-1 (Million Minutes)</b>	<b>728.8</b>	<b>673.4</b>	<b>718.0</b>	<b>6.6%</b>	<b>-1.5%</b>	<b>2,895.3</b>	<b>2,781.5</b>	<b>-3.9%</b>
<b>Long Distance Minutes (Million)</b>	<b>1,432.2</b>	<b>1,366.5</b>	<b>1,377.0</b>	<b>0.8%</b>	<b>-3.9%</b>	<b>5,691.8</b>	<b>5,563.6</b>	<b>-2.3%</b>
Long Distance	1,154.3	1,070.1	1,059.8	-1.0%	-8.2%	4,646.6	4,319.5	-7.0%
VC-2	160.8	172.0	178.5	3.7%	11.0%	626.7	693.2	10.6%
VC-3	117.1	124.4	138.8	11.5%	18.5%	418.4	550.9	31.6%

**Table 3: Traffic Indicators**

INDICATORS - TRAFFIC	4Q06	3Q07	4Q07	Δ Quarter	Δ 12 Months
Exceeding Pulses/Average LIS/Month	82.7	15.5	0.0	-100.0%	-100.0%
Exceeding Minutes/Average LIS/Month	-	86.7	109.0	25.6%	N.A.

DLD Minutes/Average LIS/Month	56.0	56.3	57.0	1.4%	1.8%
Fixed-Mobile Minutes/Average LIS/Month	39.4	39.9	42.9	7.4%	8.9%

**The conversion of the charging system from pulses to minutes changed the traffic profile significantly as of the 3Q07.** The conversion factors for the basic residential, non-residential and alternative plans averaged 1.7, 1.5 and 4.0 minutes, respectively.

Note that the ongoing increase in the adhesion to alternative plans reduces excess traffic as clients tend to choose plans that are in line with their usage profile.

VC-1 traffic totaled 718.0 million minutes in the 4Q07, 1.5% down on the 4Q06, due to the substitution of wireline by mobile telephony.

Long-distance traffic fell by 3.9% compared to the 4Q06. However, this drop was partially offset by the increase in the number of clients who joined alternative long-distance plans (48.2% up on the 4Q06, reaching 805.900 clients in December 2007) and also by the upturn in VC-2 and VC-3 traffic, due to special services.

In light of the migration of traffic from wireline to mobile lines, Brasil Telecom added specific plans geared towards mobile clients to its portfolio. The Company thus aims to encourage the increase of CSP 14 traffic generated by mobile users, including clients from other operators. Among the plans launched in the 4Q07, it is worth noting 14 in our Mobile , which offers simplified tariffs, with discounts, and the 14 long-distance at local cost promotion, which brings down VC2 and VC3 prices to VC1 levels.

PS: The LD traffic shares hereby presented refer to the traffic originated in Brasil Telecom's wireline network in its area of concession (Region II of the PGO - General Concession Plan).

In the 4Q07, Brasil Telecom maintained its leadership position, **recording an average market share of 84.9% in the intra-regional segment and 90.0% in the intra-sector segment. The company's market share reached 64.0% in the inter-regional segment and increased by 1.2 p.p. in the international segment to 38.6% .**

## MOBILE TELEPHONY

Table 4: Operating Data

Key Operational Data	4Q06	1Q07	2Q07	3Q07	4Q07	Δ Quarter	Δ 12 Months
<b>Clients (Thousand)</b>	<b>3,376.8</b>	<b>3,638.1</b>	<b>3,768.6</b>	<b>4,023.8</b>	<b>4,262.7</b>	<b>5.9%</b>	<b>26.2%</b>
Post-Paid	993.8	967.0	890.2	856.8	855.8	-0.1%	-13.9%
Pre-Paid	2,383.0	2,671.1	2,878.3	3,167.0	3,406.9	7.6%	43.0%
<b>Net Additions (Thousand)</b>	<b>325.8</b>	<b>261.3</b>	<b>130.5</b>	<b>255.3</b>	<b>238.9</b>	<b>-6.4%</b>	<b>-26.7%</b>
Post-Paid	46.5	(26.9)	(76.7)	(33.4)	(1.1)	-96.8%	-102.3%
Pre-Paid	279.3	288.2	207.2	288.7	239.9	-16.9%	-14.1%
<b>Gross Additions (Thousand)</b>	<b>555.8</b>	<b>447.2</b>	<b>623.5</b>	<b>642.7</b>	<b>837.2</b>	<b>30.3%</b>	<b>50.6%</b>
Post-Paid	103.3	65.0	98.6	83.0	96.4	16.1%	-6.7%
Pre-Paid	452.5	382.2	524.9	559.7	740.8	32.4%	63.7%
<b>Cancellations (Thousand)</b>	<b>230.0</b>	<b>185.9</b>	<b>493.0</b>	<b>387.4</b>	<b>598.3</b>	<b>54%</b>	<b>160%</b>
Post-Paid	56.8	91.8	175.3	116.4	97.4	-16.3%	71.5%
Pre-Paid	173.2	94.1	317.7	271.1	500.9	84.8%	189.2%
<b>Annualized Churn</b>	<b>28.6%</b>	<b>21.2%</b>	<b>53.3%</b>	<b>39.8%</b>	<b>57.8%</b>	<b>18.0 p.p.</b>	<b>29.1 p.p.</b>
Post-Paid	23.4%	37.5%	75.5%	53.3%	45.5%	-7.8 p.p.	22.1 p.p.
Pre-Paid	30.9%	14.9%	45.8%	35.9%	61.0%	25.1 p.p.	30.1 p.p.
<b>SAC (R\$)</b>	<b>123.1</b>	<b>97.8</b>	<b>89.7</b>	<b>85.1</b>	<b>82.7</b>	<b>-2.8%</b>	<b>-32.8%</b>
<b>Market Share</b>	<b>12.1%</b>	<b>12.9%</b>	<b>12.9%</b>	<b>13.3%</b>	<b>13.2%</b>	<b>-0.1 p.p.</b>	<b>1.1 p.p.</b>
<b>Served Localities % of Population</b>	<b>819</b>	<b>830</b>	<b>830</b>	<b>841</b>	<b>873</b>	<b>3.8%</b>	<b>6.6%</b>
<b>Covered Base Stations</b>	<b>87%</b>	<b>87%</b>	<b>87%</b>	<b>87%</b>	<b>87%</b>	<b>0.0 p.p.</b>	<b>0.0 p.p.</b>
<b>Switches</b>	<b>2,406</b>	<b>2,417</b>	<b>2,434</b>	<b>2,515</b>	<b>2,642</b>	<b>5.0%</b>	<b>9.8%</b>
<b>Employees</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>11</b>	<b>0.0%</b>	<b>10.0%</b>
	<b>636</b>	<b>611</b>	<b>610</b>	<b>605</b>	<b>616</b>	<b>1.8%</b>	<b>-3.1%</b>

Mobile telephony operations reached 4,262,700 users, or 238,900 net additions in the quarter. At the close of the 4Q07, BrT Móvel's client base grew by 26.2% over the 4Q06, while the Brazilian market moved up by 21.1% in the same period.

The mobile client base comprised 855,800 post-paid subscribers (20.1% of BrT Móvel's clients) and 3,406,900 prepaid subscribers.

Gross additions totaled 837,200, 50.6% up on the 4Q06. This result reflects the success of the plans and promotions offered by BrT Móvel and the increased point-of-sale capillarity in 2007.

In the 4Q07, the Company maintained promotions to encourage call reception, intra-network (on-net) traffic and usage in periods when the network is idle ( Free calls to other operators , Free calls at night , Free calls from public ph