

BRASIL TELECOM SA  
Form 6-K  
July 16, 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 July 15, 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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**NET REVENUE TOTALS R\$2.8 BILLION IN THE 2Q08, 2.9% UP YoY**

*Brasil Telecom records EBITDA of R\$1,131.9 million and Net Income of R\$254.4 million in the 2Q08*

Brasília, July 15, 2008: **Brasil Telecom Participações S.A. (BOVESPA: BRTP3/BRTP4; NYSE: BRP)** and **Brasil Telecom S.A. (BOVESPA: BRTO3/BRTO4; NYSE: BTM)** announce their consolidated results for the second quarter 2008 (2Q08). The Companies' financial statements are prepared in conformity with generally accepted accounting principles in Brazil and presented in consolidated form and in Brazilian real (R\$). Except where stated otherwise, the tables and comments below refer to the consolidated figures of Brasil Telecom Participações S.A.

**Highlights**

- Consolidated net revenue rose 2.9% year-on-year, reaching R\$2,823.3 million in the 2Q08.
- BrT Móvel's net service revenue totaled R\$422.5 million in the quarter, up by 11.0% on the 2Q07. BrT Móvel's EBITDA stood at R\$29.2 million, 462.3% higher than in the same quarter the year before.
- EBITDA stood at R\$1,131.9 million in the 2Q08, 16.4% up on the 2Q07. The EBITDA margin came to 40.1%, 4.6 p.p. higher in relation to the 2Q07.
- Consolidated net income totaled R\$254.4 million, 74.9% up on the 2Q07.
- Brasil Telecom closed the 2Q08 with 5.0 million mobile users, 33.1% more than in the 2Q07. Gross additions totaled 943,400 in the quarter, a record sales volume in the history of BrT Móvel.
- The number of broadband users came to 1,709,800, 17.6% more than in the 2Q07.
- Lines in service (LIS) totaled 8.1 million, 0.3% down on the 2Q07, but 0.8% up on the 1Q08, marking the second consecutive quarter of growth.

## IR CONTACT

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## CONFERENCE CALLS

### Portuguese

Date: July 16, 2008 (Wednesday)  
Time: 10:00 a.m. (Brasília time)  
Telephone: +55 (11) 2188-0188  
Code: Brasil Telecom  
Link: [www.brasiltelecom.com.br/ri](http://www.brasiltelecom.com.br/ri)

### English

Date: July 16, 2008 (Wednesday)  
Time: 11:00 a.m. (Brasília time)  
Telephone: +1 973 935-8893  
Code: 54567370  
Link: [www.brasiltelecom.com.br/ri](http://www.brasiltelecom.com.br/ri)

**OPERATING PERFORMANCE****Client Base**

	2Q07	1Q08	2Q08	Δ Quarter	Δ 12 Months
<b>FIXED TELEPHONE PLANT</b>					
<b>Lines in Service - LIS (Thousand)</b>	<b>8,129.4</b>	<b>8,036.3</b>	<b>8,104.5</b>	<b>0.8%</b>	<b>-0.3%</b>
Residential	5,470.3	5,435.2	5,477.9	0.8%	0.1%
Non-Residential	1,238.5	1,237.3	1,272.9	2.9%	2.8%
Public Telephones	276.0	280.3	279.7	-0.2%	1.3%
Hybrid Terminals	507.7	412.0	384.2	-6.7%	-24.3%
Other (Including PBX)	636.9	671.5	689.8	2.7%	8.3%
Average LIS (Thousand)	8,204.5	8,035.1	8,070.4	0.4%	-1.6%
Additional LIS (Thousand)	(150.2)	2.4	68.2	N.A.	N.A.
<b>Active Lines (LIS - Blocked Lines)</b>	<b>7,901.5</b>	<b>7,825.6</b>	<b>7,932.4</b>	<b>1.4%</b>	<b>0.4%</b>
<b>BROADBAND</b>					
<b>ADSL Users (Thousand)</b>	<b>1,453.4</b>	<b>1,637.3</b>	<b>1,709.8</b>	<b>4.4%</b>	<b>17.6%</b>
Net Additions (Thousand)	69.9	69.5	72.6	4.4%	3.8%
<b>MOBILE TELEPHONY</b>					
<b>Clients (Thousand)</b>	<b>3,768.6</b>	<b>4,577.6</b>	<b>5,015.4</b>	<b>9.6%</b>	<b>33.1%</b>
Post-Paid	890.2	829.3	832.5	0.4%	-6.5%
Pre-Paid	2,878.3	3,748.2	4,182.9	11.6%	45.3%
<b>Net Additions (Thousand)</b>	<b>130.5</b>	<b>314.9</b>	<b>437.8</b>	<b>39.0%</b>	<b>235.6%</b>
Post-Paid	(76.7)	(26.4)	3.1	N.A.	N.A.
Pre-Paid	207.2	341.3	434.7	27.4%	109.8%

**Wireline**

The wireline LIS base had a net addition of 68,200 lines in the 2Q08, reversing the declining trend of this business for the second quarter in a row. The stabilization in the number of lines in service was due to actions such as:

*Offer of Bundles: Pluri*

These bundles allow clients to integrate broadband, mobile and wireline telephony and include the *Pluri Amigos* (200 minutes of calls from wireline to mobile). Since their launch in March 2008, 94,400 clients have contracted them.

*Focus on Total Control Plan*

A pre-paid wireline plan focused on the low consumption segment in areas where the service is technically viable. By the end of the 2Q08, 218,200 clients had already joined the Total Control Plan.

*Offer of Bundles for Companies: Brasil Total Business*

This offer was created to boost the convergence of Brasil Telecom's products and enhance the product mix by client in the business segment. The sales of the Brasil Total Business bundles represent 11% of the total bundle sales. By the end of the 2Q08, 45,000 bundles were sold to the business segment.

*Services for the Corporate Market*

Growth of 8.3% in the advanced telephony base, with more value-added products such as *DDR* (Direct Call to the Extension) and *PABX Virtual* ,

## Mobile Telephony

In the 2Q08, Brasil Telecom surpassed an important milestone: the mobile telephony operation reached more than 5 million users in service. The client base totaled 5,015,400 users in service, up by 33.1% over the 2Q07.

The main factor that led to this growth was the volume of gross additions, totaling 943,400 in the quarter, a record in the history of BrT Móvel. The sales performance is directly related to: (i) the Mother's Day and Valentine's Day campaigns, based on the slogan *Pula-Pula is Back*, and (ii) the launch of 3G offers. Additionally, good sales performance in May was corroborated by the numbers disclosed by Anatel, which show that Brasil Telecom was the leader in net additions in Region II, reaching 33% of total net additions in its area of operations.

By the end of the quarter, the mobile client base comprised 832,500 post-paid subscribers (16.6% of BrT Móvel's clients) and 4,182,900 prepaid subscribers. The year-on-year decline of 6.5% in the post-paid base was chiefly due to the migration of customers from the hybrid plan to the prepaid plan. However, from the 1Q08 to the 2Q08, this trend was reversed as the number of post-paid clients increased in this period.

## Broadband

In the 2Q08, Brasil Telecom added 72,600 ADSL users to its base, which totaled 1,709,800 at the close of the quarter, up by 17.6% over the close of the 2Q07. ADSL penetration (ADSL/LIS) came to 21.1% in the 2Q08, versus 17.9% in the 2Q07.

Moving forward in the expansion of its broadband network, Brasil Telecom reached 79.9% of the municipalities with ADSL coverage - the highest percentage among the major operators.

In 2008, Brasil Telecom focused on selling speeds of 1 Mbps and over, due to the growing demand for higher speeds among Internet users.

## Internet Service Providers

Internet Group, Brasil Telecom's Internet unit, which comprises the operations of iG, iBest and BrTurbo, is Brazil's second-largest broadband provider, with 1.3 million clients. Internet Group also has 4 million dial-up clients and is the third-largest national portal in terms of audience, with more than 12.6 million residential visitors each month (source: IBOPE, May 2008).

## New Products

In the beginning of the 2Q08, Brasil Telecom was the first in Brazil to launch the flat fee concept, with unlimited use of voice services in mobile telephony, materialized in the *Pula-Pula Máximo* offer.

On April 30, 2008, Brasil Telecom started offering third generation mobile telephony services: *3GMais no Celular*, for cell phones, and *Banda Larga 3GMais no Computador*, for computers, becoming the first telco to offer fixed and mobile broadband in a single bundle. Third generation technology offers higher-quality voice calls as well as services such as video calls (calls with image and sound) and access to high speed Internet from personal computers (desktops and laptops). For the launch of *3GMais no Celular*, Brasil Telecom created five offers that combine 4 products fit to suit diverse profiles, and consist of: Light Bill plan + data package + SMS messages + video calls, in addition to offering monthly discounts. For *Banda Larga 3GMais no Computador*, Brasil Telecom launched bundles with speeds of up to 3Mbps and unlimited download.



**ECONOMIC-FINANCIAL PERFORMANCE****REVENUE****Consolidated Operating Gross Revenue**

<b>R\$ Million</b>	<b>2Q07</b>	<b>1Q08</b>	<b>2Q08</b>	<b>Δ Quarter</b>	<b>Δ 12 Months</b>
<b>GROSS REVENUES</b>	<b>3,972.9</b>	<b>4,036.1</b>	<b>4,179.1</b>	<b>3.5%</b>	<b>5.2%</b>
<b>FIXED TELEPHONY</b>	<b>2,775.3</b>	<b>2,779.0</b>	<b>2,753.7</b>	<b>-0.9%</b>	<b>-0.8%</b>
<b>Local Service</b>	<b>1,634.4</b>	<b>1,588.8</b>	<b>1,613.6</b>	<b>1.6%</b>	<b>-1.3%</b>
Subscription	874.3	891.2	900.1	1.0%	3.0%
Activation	3.7	2.3	3.2	35.9%	-13.3%
Local Traffic	281.1	228.3	238.3	4.4%	-15.2%
VC-1	466.1	463.0	467.3	0.9%	0.3%
Lease of Facilities	0.3	0.3	0.3	2.5%	1.8%
Other	9.1	3.7	4.4	21.3%	-51.1%
<b>Public Telephony</b>	<b>140.4</b>	<b>134.1</b>	<b>120.4</b>	<b>-10.2%</b>	<b>-14.2%</b>
<b>Long Distance Service</b>	<b>727.6</b>	<b>763.6</b>	<b>713.0</b>	<b>-6.6%</b>	<b>-2.0%</b>
Intra-Sector	212.3	206.2	221.3	7.3%	4.2%
Intra-Region	66.2	58.4	67.0	14.8%	1.2%
Inter-Region	61.0	55.1	61.6	11.8%	0.9%
International	11.3	10.0	11.7	17.5%	3.9%
VC-2	190.8	216.8	185.7	-14.4%	-2.7%
<i>Fixed Origin</i>	70.7	74.6	72.8	-2.4%	3.0%
<i>Mobile Origin</i>	120.0	142.2	112.8	-20.7%	-6.0%
VC-3	186.0	217.1	165.7	-23.7%	-10.9%
<i>Fixed Origin</i>	95.6	99.4	81.7	-17.8%	-14.6%
<i>Mobile Origin</i>	90.4	117.7	84.0	-28.7%	-7.1%
<b>Interconnection</b>	<b>82.4</b>	<b>81.4</b>	<b>92.2</b>	<b>13.3%</b>	<b>11.9%</b>
<i>Fixed-Fixed</i>	54.8	51.4	52.4	2.1%	-4.3%
<i>Mobile-Fixed</i>	27.6	30.0	39.8	32.5%	43.9%
<b>Lease of Means</b>	<b>86.0</b>	<b>103.6</b>	<b>105.0</b>	<b>1.3%</b>	<b>22.0%</b>
<b>Supplementary and Value Added Services</b>	<b>95.9</b>	<b>99.5</b>	<b>101.6</b>	<b>2.1%</b>	<b>5.9%</b>
<b>Other</b>	<b>8.6</b>	<b>7.9</b>	<b>8.0</b>	<b>1.2%</b>	<b>-7.2%</b>
<b>MOBILE TELEPHONY</b>	<b>511.5</b>	<b>466.1</b>	<b>526.0</b>	<b>12.9%</b>	<b>2.8%</b>

<b>Services</b>	<b>428.8</b>	<b>426.5</b>	<b>466.8</b>	<b>9.4%</b>	<b>8.9%</b>
Subscription	113.7	97.1	98.4	1.3%	-13.5%
Utilization	128.1	134.7	150.8	12.0%	17.7%
Additional for Calls Received	1.4	1.8	1.4	-19.9%	0.3%
Roaming	4.2	3.6	6.2	71.4%	47.1%
Interconnection	149.4	151.8	172.6	13.7%	15.5%
Other Services	5.7	3.9	1.5	-61.1%	-73.2%
Data Communications	26.2	33.7	35.8	6.5%	36.8%
<b>Merchandise Sales (Handsets and Accessories)</b>	<b>82.7</b>	<b>39.5</b>	<b>59.2</b>	<b>49.8%</b>	<b>-28.4%</b>
<b>DATA COMMUNICATIONS</b>	<b>686.0</b>	<b>791.0</b>	<b>899.4</b>	<b>13.7%</b>	<b>31.1%</b>
<b>Deductions</b>	<b>(1,229.5)</b>	<b>(1,274.1)</b>	<b>(1,355.8)</b>	<b>6.4%</b>	<b>10.3%</b>
% of Gross Revenue	30.9%	31.6%	32.4%	0.9 p.p.	1.5 p.p.
<b>NET REVENUES</b>	<b>2,743.3</b>	<b>2,762.0</b>	<b>2,823.3</b>	<b>2.2%</b>	<b>2.9%</b>
Net Service Revenues	2,694.3	2,733.9	2,783.0	1.8%	3.3%
Net Handsets Revenues	49.1	28.1	40.3	43.3%	-17.9%

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Brasil Telecom's consolidated gross revenue reached R\$4,179.1 million in the 2Q08, 5.2% higher than in the 2Q07, thanks to the increased share of data communication and mobile telephony services in consolidated revenues, as well as to the tariff adjustments of 2.14% in services and 3.29% in VC's in July last year.

Gross local service revenue totaled R\$1,613.6 million in the 2Q08, 1.3% lower than in the 2Q07, chiefly due to the 15.2% decline in local traffic gross revenue due to the reduction of wireline terminals, partially offset by the 3.0% increase in subscription gross revenue. The 12.2% increase in the number of clients in local alternative plans pushed up subscription revenue, but also reduced surplus traffic.

### Traffic<sup>1</sup>

TRAFFIC	2Q07	1Q08	2Q08	Δ Quarter	Δ 12 Months
Exceeding Local Pulses (Million)	1,216.9	-	-	N.A.	N.A.
Exceeding Minutes (Million)	499.7	2,433.8	2,624.5	7.8%	N.A.
VC-1 (Million Minutes)	697.8	670.8	685.8	2.2%	-1.7%
Long Distance Minutes (Million)	1,381.7	1,357.5	1,360.4	0.2%	-1.5%
Long Distance	1,061.3	992.3	1,084.6	9.3%	2.2%
VC-2	174.6	207.0	160.6	-22.4%	-8.0%
VC-3	145.8	158.2	115.2	-27.2%	-21.0%

Gross revenue from VC-1 calls stood at R\$467.3 million in the 2Q08, practically stable compared to the 2Q07 as a result of the 1.7% dip in this type of traffic, offset by the tariff increase. This traffic fell mainly due to the wireline-mobile migration.

Gross revenue from public telephony stood at R\$120.4 million, 14.2% lower than in the 2Q07, since the resellers stocked more phone cards in the 1Q08, which usually happened in the second quarter due to the upcoming tariff adjustment.

Gross revenue from long-distance calls totaled R\$713 million, 2.0% down on the 2Q07 due to the decline of 8% and 21% in VC-2 and VC-3 traffic, respectively, in turn resulting from the reduction in the use of value-added products that promote this traffic (the partnership with Big Brother Brasil, for instance). However, it is important to stress the increase in revenue from long-distance traffic originated by wireline terminals (intra-sectorial, intra-regional, inter-regional and international), which rose due to the tariff increase and the 1.5 p.p. and 8.0 p.p. increase in the market share of inter-regional and international traffic, respectively.

### Market Share of Long-Distance Traffic    Quarterly Average

Interconnection revenue stood at R\$92.2 million, 11.9% higher than the R\$82.4 million recorded in the 2Q07 despite the 18.3% decline in average TU-RL in 2007. This increase was due to the rise in the total number of mobile phones operating in the region.

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<sup>1</sup> In the 3Q07 the tariff system migrated from pulses to minutes for 100% of the clients.

<sup>2</sup> The shares of long-distance traffic refer only to the traffic originated in Brasil Telecom's wireline network in its concession area (Region II of the General Concession Plan).

### Revenue from Data Communication<sup>3</sup> and Mobile Telephony

In the 2Q08, gross revenue from data communications after discounts totaled R\$745.6 million, up by 11.1% on the 2Q07, chiefly due to the 16.4% increase in ADSL revenue after discounts on account of the expansion of the client base and the migration to higher-speed plans.

In the 2Q08, consolidated gross revenue from mobile telephony stood at R\$526.0 million, R\$59.2 million of which came from the sale of handsets and accessories.

Consolidated gross revenue from mobile services totaled R\$466.8 million, 8.9% higher than in the 2Q07, due to the 17.7% upturn in utilization revenue and the growth of 36.8% in data communication revenue as a result of the client base expansion, despite the 13.5% decline in mobile subscription revenue chiefly due to restructuring of the mobile plans (lower subscription and reduction of discounts).

Brasil Telecom's consolidated net revenue climbed by 2.9% compared to the 2Q07 reflecting the 5.2% increase in consolidated gross revenue, offset by the 10.3% upturn in deductions. Deductions rose on account of the unconditional discounts on ADSL revenue, which in the 2Q07 were deducted from the consolidated gross revenue.

Wireline ARPU (excluding data communications) reached R\$76.8, 1.4% down on the 2Q07 due to growing adherence to more economical alternative plans, such as Total Control.

ADSL ARPU came to R\$48.6, virtually in line with the R\$49.0 recorded in the 2Q07.

Mobile telephony ARPU amounted to R\$29.23, down by 13.5% year-on-year, chiefly due to the increase in the number of pre-paid users.

### Mobile ARPU

R\$ Thousand	2Q07	1Q08	2Q08	Δ Quarter	Δ 12 Months
(+) Gross Revenues	609.1	576.7	627.2	8.7%	3.0%
(-) Handsets	(82.7)	(39.5)	(59.2)	49.8%	-28.4%
<b>Gross Service Revenues</b>	<b>526.4</b>	<b>537.2</b>	<b>567.9</b>	<b>5.7%</b>	<b>7.9%</b>
(-) Taxes and Deductions	(145.9)	(139.2)	(145.5)	4.5%	-0.3%
<b>Net Service Revenues</b>	<b>380.5</b>	<b>398.0</b>	<b>422.5</b>	<b>6.2%</b>	<b>11.0%</b>
	107.6	-	-	-	N.A.

Mobile-Mobile Interconnection Fee (Full Bill)

Other Net Service Revenues	272.9	398.0	422.5	6.2%	54.8%
(-) Roaming	(1.8)	(1.0)	(2.1)	108.7%	16.6%
<b>Net Quarterly Revenues</b>	<b>378.7</b>	<b>397.0</b>	<b>420.3</b>	<b>5.9%</b>	<b>11.0%</b>
Net Monthly Revenues	126.2	132.3	140.1	5.9%	11.0%
Average Number of Clients	3,736.1	4,439.6	4,793.2	8.0%	28.3%
<b>ARPU (R\$)</b>	<b>33.79</b>	<b>29.80</b>	<b>29.23</b>	<b>-1.9%</b>	<b>-13.5%</b>
<b>Post-Paid ARPU (R\$)</b>	<b>49.77</b>	<b>54.52</b>	<b>56.80</b>	<b>4.2%</b>	<b>14.1%</b>
<b>Pre-Paid ARPU (R\$)</b>	<b>28.28</b>	<b>24.07</b>	<b>23.50</b>	<b>-2.4%</b>	<b>-16.9%</b>

<sup>3</sup> For comparative purposes, consolidated revenue from data communications is presented after discounts.

**COSTS AND EXPENSES****Consolidated Operating Costs and Expenses**

<b>R\$ Million</b>	<b>2Q07</b>	<b>1Q08</b>	<b>2Q08</b>	<b>Δ Quarter</b>	<b>Δ 12 Months</b>
<b>OPERATING COSTS AND EXPENSES</b>	<b>(2,397.3)</b>	<b>(2,397.6)</b>	<b>(2,221.7)</b>	<b>-7.3%</b>	<b>-7.3%</b>
Personnel	(156.2)	(216.7)	(219.0)	1.0%	40.2%
Materials	(101.7)	(75.4)	(98.7)	30.8%	-3.0%
Subcontracted Services	(562.4)	(540.9)	(534.4)	-1.2%	-5.0%
Interconnection	(570.4)	(563.6)	(554.8)	-1.6%	-2.7%
Advertising and Marketing	(35.6)	(42.4)	(40.3)	-5.0%	13.3%
Provisions and Losses	(271.6)	(279.1)	(238.0)	-14.7%	-12.4%
Other	(72.7)	(133.0)	(6.3)	-95.3%	-91.4%
Depreciation and Amortization	(626.6)	(546.4)	(530.2)	-3.0%	-15.4%

**Operating Costs and Expenses Breakdown<sup>4</sup>**

Brasil Telecom's consolidated costs and expenses totaled R\$2,221.7 million in the 2Q08, 7.3% down on the 2Q07, chiefly due to the decline of: R\$96.4 million in depreciation and amortization, R\$33.6 million in provisions and losses, R\$28.0 million in third-party services and R\$66.4 million in other expenses, partially offset by an upturn of R\$62.8 million in personnel costs and expenses. Excluding the non-recurring items, operating costs and expenses would have remained virtually flat in the 2Q08 compared to the 2Q07, while gross revenue rose by 5.2% in the same period.

At the close of the 2Q08, the Brasil Telecom group had 17,828 employees, 203.8% more than in the 2Q07, chiefly due to the internalization of Brasil Telecom's call center in December 2007 and Internet Group's call center (IG - Brasil Telecom's Internet arm) in the 2Q08. Therefore, in the 2Q08, personnel costs and expenses amounted to R\$219.0 million, up by 40.2% on the 2Q07.

**Personnel**

<b>EMPLOYEES</b>	<b>2Q07</b>	<b>1Q08</b>	<b>2Q08</b>	<b>Δ Quarter</b>	<b>Δ 12 Months</b>
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# of Employees - Call Center	-	10,824	12,019	11.0%	N.A.
# of Employees - Fixed Telephony	5,258	5,125	5,175	1.0%	-1.6%
# of Employees - Mobile Telephony	610	629	634	0.8%	3.9%

Material costs and expenses came to R\$98.7 million, down by 3.0% on the 2Q07, due to the reduction in the cost of goods sold despite the increase in the number of handsets sold.

Third-party costs and expenses, excluding interconnection, advertising and marketing, totaled R\$ 534.4 million, 5.0% down on the 2Q07, chiefly due to the reduction of R\$68.2 million in the call center line after the internalization in late 2007. This decline was partially offset by the increase of R\$22.3 million in legal services, R\$5.2 million in collection services and R\$4.5 million in transport and communications.

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<sup>4</sup> Excluding Depreciation and Amortization



Advertising and marketing expenses totaled R\$40.3 million in the 2Q08, 13.3% higher than in the 2Q07, due to the a higher number of campaigns to launch new products such as *3GMais* and *Pluri*, as well as more aggressive Mother's Day and Valentine's Day campaigns.

In the 2Q08, provisions for contingencies totaled R\$141.5 million, R\$17.7 million lower than in the 2Q07, basically due to the reappraisal of tax, civil and labor contingences.

The ratio between losses on accounts receivable and gross revenue reached 2.3%, totaling R\$96.5 million, 0.5 p.p. down on 2.8% registered on the 2Q07, chiefly due to (i) recovery of the amounts provisioned for in the 1Q08 due to the postponing of maturity of bills in previous periods, and (ii) greater efficiency of collection processes, especially for the amounts owed by clients in the mobile retail, corporate and government wireline segments.

### Consolidated Accounts Receivable

	2Q07	1Q08	2Q08
<b>Total (R\$ Millions)</b>	<b>2,534.0</b>	<b>2,631.2</b>	<b>2,646.5</b>
Due	64.0%	65.1%	69.8%
Overdue (up to 30 days)	15.6%	15.3%	13.4%
Overdue (between 31-60 days)	4.8%	5.2%	4.7%
Overdue (between 61-90 days)	3.1%	3.2%	2.7%
Overdue (more than 90 days)	12.5%	11.2%	9.4%

Depreciation and amortization costs totaled R\$530.2 million, 15.4% down on the 2Q07, due to the increase in fully depreciated items.

Other operating costs and expenses stood at R\$6.3 million in the 2Q08, 91.4% down on the 2Q07, due to the R\$175.7 million received from Telemar Norte Leste S.A. pursuant to the Public Instrument of Transaction, Renunciation, and Settlement (Agreement for the Settlement of Legal Disputes), as per the Material Fact disclosed on April 25, 2008. This amount was partially offset by the negative variation of: (i) R\$6.2 million chiefly due to the reversion of provisions related to the adjustment of the value of goods in stock to market value, which occurred in the 2Q07; (ii) R\$27.5 million due to the reversion of provisions in the 2Q07 related to the re-evaluation of the pension funds asset portfolio; (iii) R\$14.5 million related to the recovery of the PIS and COFINS taxes in the 2Q07; and (iv) R\$24.2 million as a consequence of taxes on values received pursuant to the Agreement for the Settlement of Legal Disputes.

### EBITDA

Brasil Telecom's consolidated EBITDA totaled R\$1,131.9 million in the 2Q08, versus R\$972.7 million in the 2Q07. The consolidated EBITDA margin stood at 40.1%, versus 35.5% in the 2Q07.

BrT Móvel's quarterly EBITDA stood at R\$29.2 million, 462.3% up on the 2Q07. It was accompanied by an EBITDA margin of 6.3%, 5.1 p.p wider.

Excluding non-recurring items, the consolidated EBITDA margin would have come to 35.0% and consolidated EBITDA would have totaled R\$987.0 million, as shown in the table below:



**Recurring EBITDA**

<b>R\$ Million</b>	<b>2Q07</b>	<b>2Q08</b>
<b>EBITDA</b>	<b>972.7</b>	<b>1,131.9</b>
<b>NON RECURRING ITEMS</b>	<b>20.7</b>	<b>144.9</b>
Adjustment of inventories to market value	6.2	
Recapturing PIS and COFINS taxes	14.5	
Litigations Settlements Agreement		175.7
Litigations Settlements Agreement Taxes		(16.3)
Respective Legal Advice		(14.5)
<b>RECURRING EBITDA</b>	<b>952.0</b>	<b>987.0</b>

**FINANCIAL RESULT****Consolidated Financial Result**

<b>R\$ Million</b>	<b>2Q07</b>	<b>1Q08</b>	<b>2Q08</b>	<b>Δ Quarter</b>	<b>Δ 12 Months</b>
<b>Financial Revenue</b>	<b>144.0</b>	<b>218.7</b>	<b>167.9</b>	<b>-23.2%</b>	<b>16.6%</b>
Local Currency	141.8	216.7	161.3	-25.6%	13.7%
Foreign Currency	2.2	2.0	6.7	230.1%	208.3%
<b>Financial Expenses</b>	<b>(160.6)</b>	<b>(194.3)</b>	<b>(187.6)</b>	<b>-3.5%</b>	<b>16.8%</b>
Local Currency	(143.1)	(166.8)	(185.3)	11.1%	29.6%
Foreign Currency	(17.5)	(27.5)	(2.2)	-91.9%	-87.2%
<b>Interest on Equity</b>	<b>-</b>	<b>(267.2)</b>	<b>-</b>	<b>N.A.</b>	<b>N.A.</b>
<b>Financial Result</b>	<b>(16.6)</b>	<b>(242.8)</b>	<b>(19.6)</b>	<b>-91.9%</b>	<b>18.3%</b>

**NON-OPERATING RESULT**

Non-operating result was an expense of R\$8.3 million, R\$ 11.0 million down on the 2Q07, chiefly due to the reduction of R\$44.2 million related to the conclusion of the ownership restructuring process in the Internet Group, which was partially offset by the gain of R\$30.9 million from the sale of investments evaluated at their FINAM (Amazon Investment Fund) and FINOR (Northeast Investments Fund) certificate acquisition cost.

**NET INCOME**

Brasil Telecom's net income stood at R\$254.4 million in the 2Q08, equivalent to R\$0.7019 per share, while net earnings per ADR came to US\$2.2047. In the 2Q07 net income totaled R\$145.5 million, equivalent to R\$0.4013 per share, while earnings per ADR stood at US\$1.0417.



**INDEBTEDNESS**

At the end of the quarter, Brasil Telecom's consolidated net debt totaled R\$1,156.7 million, 8.2% lower than in the same period the year before, chiefly due to the amortizations occurred in the period, the appreciation of the Brazilian Real, which reduced foreign-currency debt, and the cash flow. At the end of the 2Q08, debt linked to the exchange rate variation, excluding hedge adjustments, totaled R\$620.4 million. On June 30, 2008, 52.2% of the debt linked to exchange rate variation was hedged, leading to a total debt exposure of only 7.7%.

**Indebtedness**

Debt (R\$ Million)	2Q07	1Q08	2Q08	Δ Quarter	Δ 12 Months
<b>Short Term</b>	<b>782.6</b>	<b>514.2</b>	<b>521.4</b>	<b>1.4%</b>	<b>-33.4%</b>
In R\$	514.1	284.0	279.8	-1.5%	-45.6%
In Foreign Currency	95.5	89.0	87.2	-2.1%	-8.8%
In Currency Basket	48.2	28.5	26.1	-8.4%	-45.8%
Hedge Adjustment	124.8	112.7	128.3	13.9%	2.8%
<b>Long Term</b>	<b>3,520.3</b>	<b>3,830.1</b>	<b>3,715.1</b>	<b>-3.0%</b>	<b>5.5%</b>
In R\$	2,508.2	3,043.5	2,964.9	-2.6%	18.2%
In Foreign Currency	612.0	514.6	459.9	-10.6%	-24.9%
In Currency Basket	86.5	58.5	47.2	-19.3%	-45.4%
Hedge Adjustment	313.5	213.5	243.1	13.9%	-22.5%
<b>Total Debt</b>	<b>4,302.9</b>	<b>4,344.3</b>	<b>4,236.5</b>	<b>-2.5%</b>	<b>-1.5%</b>
(-) Cash	2,842.1	3,090.0	2,381.3	-22.9%	-16.2%
(-) Temporary Investments	200.8	685.9	698.5	1.8%	248.0%
(-) Government Title	-	54.9	-	N.A.	N.A.
<b>Net Debt</b>	<b>1,260.0</b>	<b>513.5</b>	<b>1,156.7</b>	<b>125.3%</b>	<b>-8.2%</b>

**Long Term Debt Amortization Schedule**

Maturity	2009	2010	2011	2012	2013	2014	> 2015
% Long Term Debt	9.8%	19.6%	21.4%	17.6%	17.7%	12.1%	1.8%

**CAPEX**

CAPEX totaled R\$812.4 million in the 2Q08, R\$255.6 million of which was invested in wireline, including voice, data and IT, as well as regulatory issues, and R\$556.9 million in mobile telephony. CAPEX increased by 168.5% year-on-year, chiefly due to the acquisition of the 3G license and the implementation of the new network.

**Investment Breakdown**

<b>R\$ Million</b>	<b>2Q07</b>	<b>1Q08</b>	<b>2Q08</b>	<b>Δ Quarter</b>	<b>Δ 12 Months</b>
<b>FIXED LINE TELEPHONY</b>	<b>257.3</b>	<b>150.5</b>	<b>255.6</b>	<b>69.9%</b>	<b>-0.7%</b>
Network Expansion	109.3	64.6	88.9	37.6%	-18.7%
Network Operation	54.0	46.9	66.1	40.9%	22.6%
Public Telephony	0.6	0.5	4.4	705.5%	665.2%
Information Technology	30.2	3.8	16.6	338.3%	-45.0%
Others	63.3	34.6	79.6	129.9%	25.8%
<b>MOBILE TELEPHONY</b>	<b>45.2</b>	<b>9.4</b>	<b>556.9</b>	<b>5824.7%</b>	<b>1130.8%</b>
<b>TOTAL INVESTMENT</b>	<b>302.6</b>	<b>159.9</b>	<b>812.4</b>	<b>408.2%</b>	<b>168.5%</b>

<b>CASH FLOW CONCILIATION</b>	<b>2Q07</b>	<b>1Q08</b>	<b>2Q08</b>	<b>Δ Quarter</b>	<b>Δ 12 Months</b>
<b>Variation of Economic and Financial Investment</b>	<b>24.8</b>	<b>145.5</b>	<b>(519.7)</b>	<b>N.A.</b>	<b>N.A.</b>
<b>INVESTMENT CASH FLOW</b>	<b>327.4</b>	<b>305.4</b>	<b>292.7</b>	<b>-4.1%</b>	<b>-10.6%</b>

**STOCK MARKET****Stock Market Performance**

<b>Stock Performance</b>	<b>Closing Price as of 6/30/2008</b>	<b>In 2Q08</b>	<b>Performance In 12 Months</b>	<b>In 24 Months</b>
<b>BrT Operating Company</b>				
Common Shares (BRTP3) (in R\$/shares)	53.00	7.4%	-1.7%	85.6%
Preferred Shares (BRTP4) (in R\$/shares)	23.61	0.6%	-0.1%	67.0%
ADR (BRP) (in US\$/ADR)	73.37	12.1%	21.4%	125.3%
Market Capitalization BRP (Million)	12,454	4.3%	-1.0%	77.0%
<b>BrT Holding Company</b>				
Common Shares (BRTO3) (in R\$/shares)	48.00	20.0%	41.2%	104.9%
Preferred Shares (BRTO4) (in R\$/shares)	17.28	-10.5%	22.6%	92.9%
ADR (BTM) (in US\$/ADR)	31.95	-2.6%	47.8%	158.1%
Market Capitalization BTM (Million)	17,126	8.9%	35.0%	101.1%

**Indexes**

# Edgar Filing: BRASIL TELECOM SA - Form 6-K

IBOVESPA (points)	65,018	6.6%	19.5%	77.5%
ITEL (points)	1,254	-4.9%	0.7%	50.6%
IGC (points)	6,365	4.1%	0.4%	56.0%
Dow Jones (points)	11,350	-7.4%	-15.4%	1.8%

## Theoretical Portfolio Weighting May / August

	Ibovespa	Itel	IGC
<b>BrT Hold.</b>			
<b>BRTP3</b>	0.340%	7.314%	0.379%
<b>BRTP4</b>	0.733%	12.686%	0.658%
<b>BrT Oper.</b>			
<b>BRTO3</b>	***	***	0.012%
<b>BRTO4</b>	0.761%	8.339%	0.387%

## OWNERSHIP BREAKDOWN

### Ownership Breakdown Brasil Telecom Participações S.A.

Jun/08	Common Shares	%	Preferred Shares	%	Total Shares	%
Solpart Participações S.A.	68,907,150	51.41%	-	0.00%	68,907,150	18.93%
Copart 1 Participações	&nbsp;nbsp;nbsp;					