

BRASIL TELECOM SA
Form 6-K
March 31, 2003

**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**

THROUGH MARCH 31,2003

(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)

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

Investor Relations

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Media Relations

(1 212) 983-1702

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FREE TRANSLATION

BRASIL TELECOM S.A.

Publicly Traded Company

Corporate Taxpayer Registration CNPJ/MF: 76.535.764/0001-43

Board of Trade NIRE: 53 3 0000622 9

MATERIAL FACT

CREDIT OF INTEREST ON SHAREHOLDERS EQUITY

We hereby inform Brasil Telecom S.A. s (Company) shareholders that the Board of Directors of the Company, on a meeting held on January 28, 2003, approved the credit of Interest on Shareholders Equity, relative to fiscal year 2003, in a total amount up to R\$246,200,000.00 (two hundred forty-six million and two hundred thousand reais), as pursuant to Article 9 of Law 9,249 of December 26, 1995 and to Comissão de Valores Mobiliários (CVM) Deliberation 207/96.

I Amount

The total amount of Interest on Shareholders Equity that the Company decided to credit on March 2003, according to the Board of Directors deliberation, is R\$126,200,000.00 (one hundred twenty-six million and two hundred thousand reais), which corresponds to a gross amount of R\$0.233707543 per one thousand shares and an amount net of income tax of R\$0.198651411 per one thousand common and preferred shares.

Eventual changes in the amount that will be paid per one thousand shares may occur as pursuant to Article 16 of CVM s Instruction 10, issued on February 14, 1980, considering that, the Board of Directors approved a shares buyback program, on a meeting held on December 27, 2002.

II Amounts Credited on 2003 Fiscal Year

III Income Tax Withheld

Income tax of 15% will be withheld from the amount of credit of Interest on Shareholders Equity, except for those shareholders proven to have fiscal exemption or with differentiated taxation.

IV Date of the Credit

The credit of Interest on Shareholders Equity, in the total amount of R\$126,200,000.00 (one hundred twenty-six million and two hundred thousand reais), in the books of Brasil Telecom S.A., will occur on March 31, 2003.

V Date of Trading ex-Interest on Shareholders Equity

As of April 10, 2003, Brasil Telecom S.A.'s shares will trade Ex-Interest on Shareholders Equity, considering the shares deposited on April 9, 2003.

VI Information on the Payment and Credit of Dividends

Interest on Shareholders Equity may be accounted for as dividends and is subject to approval of the 2004 Ordinary General Shareholders Meeting A.G.O., which will deliberate on the date of the payment.

VII Proof of Tax Exemption or Differentiated Taxation

Shareholders exempted from income tax or with differentiated taxation, according to the Brazilian tax legislation, shall prove such condition to the Custodian Bank Banco Bradesco S.A., Departamento de Ações e Custódia, Prédio Amarelo, 2º Andar, Cidade de Deus, Vila Yara zip code 06.029-900 Osasco SP Brazil, until April 25, 2003.

Brasília, Brazil, March 31, 2003.

Carla Cico
CEO and Investor Relations Officer

SIGNATURE

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: March 31, 2003

BRASIL TELECOM S.A.

By: _____ /s/ Carla Cico

Name: Carla Cico
Title: President and Chief
Executive Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
