BRASIL TELECOM HOLDING CO
Form SC TO-C
May 13, 2008

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE TO

(Rule 14d-100)

TENDER OFFER STATEMENT UNDER SECTION 14(d)(1) OR 13(e)(1)

OF THE SECURITIES EXCHANGE ACT OF 1934

BRASIL TELECOM PARTICIPAÇÕES S.A.

(Name of subject company (Issuer))

TELEMAR NORTE LESTE S.A.

a subsidiary of

TELE NORTE LESTE PARTICIPAÇÕES S.A.

(Names of Filing Persons (Offerors))

Preferred Shares, no par value, and American

Depository Shares **105530109**

(Title of classes of securities) **(CUSIP number of preferred shares)**

Roberto Terziani

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(Name, address, and telephone number of person authorized to receive notices and communications on behalf of Filing Persons)

CALCULATION OF FILING FEE

Transaction Valuation*	**Amount of Filing Fee***
Not applicable*	**Not applicable***

* A filing fee is not required in connection with this filing as it relates solely to preliminary communications made before the commencement of a tender offer.

¨ Check the box if any part of the fee is offset as provided by Rule 0-11(a)(2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

Amount Previously Paid:	N/A	Filing Party:	N/A
Form of Registration No.:	N/A	Date Filed:	N/A

x Check the box if the filing relates solely to preliminary communications made before the commencement of the tender offer.
Check the appropriate boxes below to designate any transactions to which the statement relates:

x third party tender offer subject to Rule 14d-1

¨ issuer tender offer subject to Rule 13e-4

¨ going private transaction subject to Rule 13e-3

¨ amendment to Schedule 13D under Rule 13d-2

Check the following box if the filing is a final amendment reporting the results of the tender offer: ¨

Acquisition of Brasil
Telecom
May 2008

1
Additional Information and Where to Find It
This
presentation
is
for
informational
purposes

only and is not an offer to purchase or a solicitation of an offer to sell any shares of Brasil Telecom Participações S.A. (BRTP) or Brasil Telecom S.A. (BRTO). The proposed tender offers for the outstanding common shares and a portion of the preferred shares of BRTP and BRTO described

in this presentation have not commenced. Any offer to purchase or the solicitation of an offer to sell (1) any preferred shares of BRTP, including the preferred shares underlying BRTP s American Depositary Receipts, (2) any preferred shares of BRTO, including the preferred shares underlying BRTO s American Depositary Receipts, or (3) common

shares of BRTP or BRTO will be made only pursuant to offers to purchase and related materials that Telemar Norte Leste S.A. (TMAR) intends to file with the U.S. Securities and Exchange Commission (the Commission) upon commencement of these offers. TMAR urges shareholders who are eligible to participate in any

of these tender offers to carefully read the offers to purchase and related materials relating to the offer or offers in which they are eligible to participate when they become available and prior to making any decisions with respect to that tender offer as these documents will contain important information

about that tender offer. Following the filing with the Commission of (1) the offers to purchase and related materials relating to the offers for the common shares and/or the preferred shares of BRTP and/or BRTO, or (2) any other tender offer materials related to the offers for the common shares

and/or the preferred shares of BRTP and/or BRTO, shareholders of BRTP and BRTO will be able to obtain the filed documents free of charge on the Commission s website at www.sec.gov or from TMAR. This presentation is also being made in respect of (1) the proposed merger (incorporação) of BRTP with

and into BRTO, and (2) the proposed merger (incorporação) of BRTO with and into TMAR. In connection with the proposed merger of BRTP with and into BRTO, TMAR plans to cause BRTO to file with the Commission (1) a registration statement on Form F-4, containing a prospectus which will be

mailed to the shareholders of BRTP, and (2) other documents regarding this proposed merger. In connection with the proposed merger of BRTO with and into TMAR, TMAR plans to file with the Commission (1) a registration statement on Form F-4, containing a prospectus which will be mailed to the shareholders

of BRTO, and (2) other documents regarding the proposed merger. TMAR urges investors and security holders to carefully read the relevant prospectus and other relevant materials when they become available as they will contain important information about the proposed mergers. Investors and security holders will be able to obtain the

documents filed with the Commission regarding the proposed mergers, when available, free of charge on the Commission s website at www.sec.gov or from TMAR.

Agenda
2
The
Restructuring
of
Telemar
Participações

Proposed Transaction: BrTP
Acquisition
Expected Benefits

3
3
The Restructuring of
Telemar
Participações

4
Ownership Restructuring -
Telemar Participações
*
Oi employees
pension fund. ** Pension funds: Previ, Petros, Funcef, FASS and Telos
Current
Ownership
Total
FASS
Fundação Atlântico*
3
Subtotal
BNDESPAR

4
FIAGO**
5
ALUTRENS
6
ASSECA
7
LEXPART
8
2
1
LF TELECOM
AG TELECOM
% ONs
100.00
4.00
24.55
25.00
19.90
10.00
10.275
10.275
10.275
10.275
AG TELECOM
1
LF TELECOM
2
FASS
Fundação Atlântico*
3
Subtotal
BNDESPAR
4
Post Restructuring
Ownership
Total
PREVI
5
PETROS
6
FUNCEF
7
19.34
19.34
11.50
50.18
% ONs
100.00
16.86

12.96
10.00
10.00

5
5
The Proposed Transaction

6
Corporate Structure
Current
Structures
ON: 53.8%
PN: 0.0%
Total: 17.9%
ON: 97.4%
PN: 79.4%
(1)
Total: 87.5%

(1)
ON: 51.6%
PN: 0.0%
Total: 18.9%
ON: 99.1%
PN: 40.6%
Total: 67.3%
(1) Includes preferred shares held directly by TmarPart
100%
100%
TmarPart
TNE
TMAR
Oi
Invitel/
Solpart
BRTP
BRTO
BRT GSM

7
Simplified Structure of the Acquisition of Brasil Telecom

TMAR acquires the control of BrTP
Step 6

Merger (Incorporação) of Invitel / Solpart into Brasil Telecom Participações (BRT)
Step 8

Merger (Incorporação) of Brasil Telecom Participações (BRT) into Brasil Telecom (BTM)
Step 9

Brasil Telecom (BTM) share exchange (Incorporação de Ações) into TMAR
Step 10

TMAR
makes
a
voluntary
tender
offer
for
1/3
of
the
free-float
of
preferred
shares
of
Brasil
Telecom
Participações
and
Brasil
Telecom:
BRTP4 (R$30.47) and BRTO4 (R$23.42)
Step 3

Commission
Agent
transfers
the
right
to
purchase
Invitel
share
to
TMAR
Step 5

TMAR
makes
the
tag-along
tender
offer
for
common
shares
held
by
Brasil
Telecom

Participações
(BRT)
and
Brasil
Telecom
(BTM)
minority shareholders: BRTP3 (R$57.85) and BRTO3 (R$54.31)
Step 7

TMAR
contracts
a
Commission
Agent
to
purchase
Invitel
/
Solpart
(BrTP
majority
shareholders)
Step 1

TMAR
releases
Material
Fact
with
details
of
the
operation
Step 2

Up to September/08
Extraordinary dividend payment
Step 4
Regulatory approval (ANATEL and CADE)

8
Corporate Structure
Final Structure
ON:100%
PN: 100%
Total:100%
ON: 88.3%
PN: 46.4%
(1)
Total: 62.2%
(1)
(1) Includes preferred shares held directly by TmarPart
TmarPart

TNE
TMAR
BRTO

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Voluntary Tender Offers, Mandatory Tender Offers (tag along) and

Mergers
Tender Offers
Prices
Mandatory tender offers**:**
BRTP3:
R$ 57.85
BRTO3:
R$ 54.31
Voluntary tender offers :
BRTP4:
R$ 30.47
BRTO4:
R$ 23.42
NOTE: BRTP3/4: Brasil Telecom Participações ON/PN; BRTO3/4: Brasil Telecom S.A. ON/PN; TMAR3/5: Telemar Norte Leste ON/PNA; 1) Volume weighted average share prices (VWAP) for each of the class of shares on the Bovespa, for 90 days ending April 23, 2008.

TMAR3
and
TMAR5
adjusted
by
extraordinary
dividends
of
R$15.5494
and
R$17.1045
respectively
Source:
Economática
Exchange Ratios
1 ON share
1.2200534
ON
0.5047539
1 ON share
0.4137146 ON
1 PN share 0.1729971
ON
0.0715714
1 ON share 0.4137146
ON
0.9106649
PN
0.2304758
1 PN share 0.2530852 PN
Direct
Relations
BrTP
vs
Oi
(TMAR)
BrT Part
BrT
Telemar

10
Listing of TMAR at SEC

TMAR will be registered with SEC and will establish ADR programs for
ON and PN shares

BrTP
ADR Holder s
will
receive
TMAR
PN
ADRs
and
ON ADRs

BrT
ADR Holder s will receive TMAR PN ADRs

11
Brazilian Mobile Market Share: Dec/07
Market
Share
25.8%
25.0%
56.7%
Vivo
+

TIM
+
27.7%
3.2%
30.9%
=
+
13.2%
3.5%
1.2%
17.9%
=
+

12
0.6
2.2
3.4
4.3
4.6
8.4
1.4
3.9
6.9

10.3
13.1
16.0
17.3
Room to Grow in Mobility
02
03
04
05
06
07
02
03
04
05
06
07
Region I
Market Share (%)
16.5
19.2
22.6
26.0
27.4
26.9
0.0
0.0
3.2
8.7
12.1
13.2
27.9
13.7
Region II
Market Share (%)
1Q08
1Q08
Região II
Região I
1. Amazônia
Celular
not included
Oi
Mobile

Customer Base
million
Brasil
Telecom Mobile
Customer Base

million

Market leader
since 2005

Pre-paid: SIM Card alone -
without handset subsidies
combined with Oi
Ligadores
plans

Post-paid: Convergence of
services (Oi
Conta
Total)

Region III: Start-up Project
Oi
+ BrT: upside potentials

Nationwide coverage

Region II: Boost market share

Region III : Become a new
player (2G/3G)

Brazil: Boost competitiveness
due to the national coverage

Achieve national fair market
share -
25%

Approximately 38 million
customers in 5 years
Fair
Market
Share
1

13
Domestic Corporate Networks
Embratel

23 state capitals

Covers all 30 most populated cities
Oi

18 state capitals

26 of 30 most populated cities
Brasil Telecom

12 state capitals

17 of 30 most populated cities

23 state capitals

29 of the 30 most
populated cities
TOTAL
Oi +BrT
Backbone
Embratel
Hispamar
Satellite
+
Venezuela
USA
French
Guiana
Uruguai
Argentina
USA
Africa &
Portugal
+ 4 satellites
Backbone
Oi
+
BrT

14
14
Expected Benefits

15
The combined operations create value
Revenues

Mobile Operation nationwide
-
Possibility of expansion in national market-share

National coverage in mobile and data
-
Important item for corporate clients
Synergies

Best Practices: room to improve
-
General & Administrative expenses - reduction
-
Third-party services; improving relationship and network maintenance
-
TI
Technology Information
-
Marketing & Publicity
-
Product development

Scale:
-
Procurement
better conditions
-
Overhead - reduction
-
Capex

better conditions
-
Marketing & Publicity - nationwide

Goodwill Usage
-
Lower Income Taxes

Taxes:
-
Lower PIS and Cofins

Efficient capital structure
-
Investment grade and Ratings maintained
-

Efficient leverage:
2.0 x EBITDA
-
Tax shield benefits
-
Operational Cash flow: increase
Financial
and
Fiscal
~
~

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This presentation contains forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements and involve inherent risks and uncertainties. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-

looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events

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