

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**

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(Title of classes of securities)

(CUSIP number of preferred shares)

**Roberto Terziani**

**Investor Relations Director**

**Rua Humberto de Campos, 425**

**7º andar**

**Leblon, Rio de Janeiro, RJ, Brazil 22430-190**

**Tel: +55 21 3131-1208**

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

**CALCULATION OF FILING FEE**

**Transaction Valuation\***  
**Not applicable\***

**Amount of Filing Fee\***  
**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  
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any  
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Brasil  
Telecom  
Participações  
S.A.  
( B RTP )  
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S.A.  
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The  
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[www.sec.gov](http://www.sec.gov)  
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the  
Commission's  
website  
at  
[www.sec.gov](http://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

B RTP

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



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

~

~

16

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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Humberto  
de Campos, 425 / 7th floor  
Leblon

-

Rio de Janeiro -

RJ

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