

BRASIL TELECOM SA  
Form 6-K  
October 23, 2009

**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**

**For the month of October 2009**

**(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)*

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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

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

Investor Relations  
CONFERENCE CALL **3Q09**  
October 23, **2009**

Oi  
and BrT  
Integration  
Status of the Process of Operational Integration  
Market and Channels  
9M09 Achievements  
100%  
of

mobile  
service  
retail  
sales  
made  
in  
the  
new  
portfolio  
Unique operating model for  
sales and service  
Distribution  
model  
restructuring  
in  
Region  
II,  
focused  
on  
small  
retail  
and  
virtual  
recharge  
Authorized  
Agents  
focused  
on  
the  
post  
paid  
segment  
Differentiated  
actions  
by  
client  
profile  
in  
Business  
market  
National  
coverage  
consolidation  
for  
Corporate  
segment  
Engineering and Network  
Opex  
Synergies  
Consolidation

of  
just  
one  
NOC\*  
to  
provide  
an  
integrated  
vision  
and  
management  
for  
the  
entire  
network  
Implementation  
of  
a  
model  
of  
a  
single  
supplier  
to  
service  
internal  
plant  
requirements  
in  
Regions I and III  
Integration  
of  
network  
development,  
planning,  
and  
operation  
activities  
Main  
actions  
aimed  
to  
seize  
Cost  
synergies  
Implementation  
of  
the  
last  
stage

of  
company's  
administrative  
restructuring  
Review  
of  
logistics  
models  
Adoption  
of  
sim-card  
alone  
strategy to reduce COGS  
Reduction  
in  
roaming  
costs  
Main actions to rationalize  
Capex:  
Supplier  
Consolidation  
Optimization  
of  
IT  
investments  
Renegotiation  
with  
third  
parties  
2  
Investor Relations  
\* Network Operational Center

Oi  
and BrT  
Integration  
Corporate  
Restructuring  
Status:  
as  
of



4Q09,  
100%  
of  
the  
good will  
amortization  
will  
generate fiscal benefits  
3

Investor Relations|

07/31/09:

1st Stage of the Corporate Simplification

Copart

2

Copart

2

Copart

1

Copart

1

100%

82%

100%

100%

100%

19%

67%

11%

36%

100%

67%

82%

BrTP

BrTP

100%

67%

82%

100%

82%

Companies Merged

TMAR

TNL

Coari

Coari

TMAR

TNL

BrTP

BrTP

BrTO

BrTO

TNL  
TNL  
TMAR  
TMAR  
Coari  
Coari  
BrTO  
BrTO  
Invitel/  
Solpart  
55%  
55%  
48%

Consolidated RGUs  
Million  
+14.2%  
53.0  
60.5  
3Q08  
3Q09  
Net

Additions

Customer Base

Million

7.5

Fixed Lines

Broadband\*

Mobile

-3.0%

\* Includes Oi

TV's

cable users (52,000 clients)

Consolidated Revenue Generating Units

7 million

new

customers

were

added

in

the

last

12

months,

mainly

mobile

and

broadband

12.5%

28,4%

4

Investor Relations

3Q08

3Q09

3Q08

3Q09

3Q08

3Q09

Total broadband net additions

in 3Q09: 154 thousand (76

thousand fixed broadband and 78 thousand in 3G, mainly

mini-modems)

Fixed + mobile broadband: 4.5 mn

clients

Consolidated Mobile Users  
São  
Paulo  
leads  
net  
adds  
in  
past

12  
months;  
Oi  
Conta  
Total  
represents  
37%  
of  
Region  
I's  
post paid base  
Mobile Customer Base

Million

27.1

3Q08

3Q09

RI

Net Additions

RII

RIII

1.7

1.6

4.4

34.8

22.7

4.4

29.2

5.6

Prepaid

89% of net additions in the last 12 months

84% of total mobile customer base by end of  
the quarter

Post-Paid + Control Plan

Oi  
Conta  
Total  
amounted to 1.5 mn  
in Sept 09  
(~700  
th.  
plans),  
58%  
above  
Sept  
08

Bundle product accounted for 37% of Oi's  
Region I post-paid users (area where product is  
available)

National Market Share of 21.0% in Sept 09, as  
follows:

29% in Region I (leader)

16% in Region II (14.3% in Sept/08)

10.5% in Region III (11 months after start-up)

Post-paid+

Control Plans

Prepaid

7.6%

30.4%

5

Investor Relationsl

Financial Performance  
Consolidated Gross Revenue  
Mobile  
and  
Broadband  
as  
main  
growth



drivers  
for  
revenues;  
Strong  
Mobile  
Value  
Added  
Service  
3Q08  
3Q09  
Consolidated Gross Revenue

11,193

11,597

0.8%

3Q8

Fixed

Mobile

3.6%

R\$ Million

Consolidated

Gross

Fixed

Revenues

Growth

3Q09

x

3Q08

R\$ million

Data

F-M

Local

Data and

VAS

TOTAL

14.8%

Local

Consolidated

Gross

Mobile

Revenues

Growth

3Q09

x

3Q08

R\$ million

6

Investor Relationsl

\* Includes Fixed-Fixed, Fixed-Mobile and Mobile-Originated Long Distance

Network

Usage  
LD\*  
Public  
Phones  
Subscripti  
ons  
TOTAL  
Data  
Network  
Usage  
Originated  
Calls  
Handset  
Revenue  
Roaming

Financial Performance

Consolidated Costs & Expenses and EBITDA

Recurring Costs decreased and Recurring EBITDA showed recovered in 3Q09

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Investor Relations

3Q08

3Q09

Recurring and

Comparable  
Consolidated Operating Costs and Expenses  
R\$ Million  
Consolidated  
EBITDA

Oi  
(TNE)  
R\$ Million; Margin %  
EBITDA Margin  
34.0%  
35.1%  
3Q08  
3Q09  
Recurring  
non-recurring items  
-  
5.8%  
+ 3.0%

Other Items in the Consolidated Result

Although still not able to have full tax benefits related to total goodwill amortized, this was not enough to reverse quarterly result

Consolidated Net Financial Result

R\$ Million

Net Income

R\$ Million

3Q08

3Q09

3Q08

3Q09

-R\$81 mn

Depreciation and Amortization

R\$ Million

3Q08

3Q09

+R\$231 mn

8

Investor Relations|

Factors affecting net income:

Higher net financial expenses

Goodwill amortization derived from the  
acquisition of Brasil  
Telecom

Temporary fiscal effects (amortization  
expenses without benefits of tax credits)

Non-recurring operating expenses due to the  
acquisition of BRTO and start-up in São Paulo

Financial Performance: Consolidated Debt  
Non-recurring effects and temporary fiscal effects related to goodwill amortization for  
BRTO s  
acquisition affected quarterly result  
Consolidated Gross Debt  
R\$ Billion  
Sep/08

Jun/09

17.8

29.6

Local Currency

Foreign Currency

Sep/09

28.6

Sep/08

Jun/09

Sep/09

Consolidated Net Debt

R\$ Billion

Gross Debt Amortization

R\$ Billion

2010

2011

2012

2013

2014

onwards

9

Investor Relations

2009

Foreign exchange exposure: 1.8% of total debt as of  
September/09

Effective cost of debt: 9.5% (vs  
11.45% in 2Q09)

Net Debt/Recurring EBITDA: 2.1x (LTM)



Consolidated CAPEX :

17.8% of 3Q09 net revenue ( vs. 19.5%  
in 3T08); 14.3% of 9M09 net revenues

77% directed to growth business (46%  
Mobile and 31% Data/Broadband)

Fixed Telephony Capex:

Reduction stems from high volume in 3Q08 earmarked to adapt the switching centers to portability, despite higher investments to expand broadband capacity and coverage

Mobile Telephony Capex:

Increase to expand network and quality

Financial Performance: Consolidated CAPEX

77%

of

CAPEX

is

earmarked

to

growth

businesses:

Wireless

segment

and

Data

Transmission / broadband

CAPEX

R\$ Million

3Q08

3Q09

1,345

Fixed

Mobile

1,474

-8.8%

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Investor Relations

3,190

9M09

Q & A

**SIGNATURES**

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: October 23, 2009

BRASIL TELECOM S.A.

By: /s/ ALEX WALDEMAR ZORNIG  
Name: Alex Waldemar Zornig  
Title: Chief Financial Officer