

BRASIL TELECOM SA  
Form 6-K  
June 01, 2005

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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 JUNE 1, 2005**

**(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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**Investor Relations**

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*Free Translation*

**BRASIL TELECOM S.A.**  
Publicly-held Corporation  
Corporate Taxpayers Registry 76.535.764/0001-43  
Board of Trade 53 3 0000622 9

**BRASIL TELECOM PARTICIPAÇÕES S.A.**  
Publicly-held Corporation  
Corporate Taxpayers Registry 02.570.688/0001-70  
Board of Trade 53 3 0000581 8

**NOTICE TO SHAREHOLDERS**

Brasil Telecom Participações S.A. and Brasil Telecom S.A. (conjunctly Brasil Telecom ) reproduce below the Material Fact published by Citigroup Venture Capital International Brazil, L.P. on June 01, 2005 in the following newspapers: (i) Valor Econômico, (ii) Correio Braziliense, (iii) Jornal de Brasília, and (iv) Diário Mercantil.

*In compliance with CVM/SEP/GEA-2 Written Notice 225/05, dated May 27, 2005, and the terms of CVM Instruction 358, dated January 3, 2002, International Equity Investments, Inc. ( IEII ), as the sole shareholder and limited partner of Citigroup Venture Capital International Brazil, L.P. (the CVC Fund ), Investidores Institucionais Fundo de Investimento em Ações (the National Fund ), Caixa de Previdência dos Funcionários do Banco do Brasil Previ, Fundação dos Economistas Federais Funcef e Fundação Petrobras de Seguridade Social Petros (the preceding three conjunctly denominated the Pension Funds ), in view of the publication of press releases announcing the existence of contractual adjustments entered into by the aforementioned entities, clarifies and informs the market as follows:*

- *In March 2005, IEII and the CVC Fund, represented by its current manager, Citigroup Venture Capital International Brazil LLC, entered into certain agreements with the National Fund and the Pension Funds, including the Shareholders Agreement of Opportunity Zain S.A. ( Zain or the Company ), as announced in the material fact published on 03.11.05 (collectively, the Agreements ).*
- *The Agreements establish that the CVC Fund and the National Fund, with combined shareholdings of around 90% of the voting and total capital of Zain, will conjunctly perform the corporate control of such Company and Invitel S.A. ( Invitel ), a company controlled by Zain with about 68% of its voting and total capital, and in which the Pension Funds and other non-publicly held pension entities hold nearly the totality of the remaining voting and total capital. The Agreements also establish that the parties are to attempt to disinvest, under identical terms, conjunctly and in an organized manner, their shareholdings in Zain and Invitel, companies which control, among other companies, Brasil Telecom Participações S.A. ( BTP ), Brasil Telecom S.A. ( BT ) and 14 Brasil Telecom Celular S.A. ( BTC ).*
- *In the context of the execution of the Agreements, the Pension Funds signed the Put Option on Shares Issued by Opportunity Zain S.A. Agreement, granting the CVC Fund a put option on its Zain shares, which may be exercised in a limited period of time, but not before November 2007. If and when the CVC Fund exercises its put option, a right conditioned to the occurrence of future and uncertain events, some of which are out of the control of the CVC Fund, the National Fund and the Pension Funds, the exercise price is to be set to R\$1,045,941,692.43, adjusted by the variation of the IGP-DI Index + 5% p.a.. The fulfillment of the conditions to the exercise of such put option granted by the Pension Funds does not depend or is tied to the occurrence of any operation or business involving, directly or indirectly, property or other assets owned by Zain, Invitel or any of their controlled companies, among which, BTP, BT and BTC.*

This announcement is merely for information purposes and under no circumstances reflects a judgment, opinion or approval by Brasil Telecom about the agreements referred to in the above Material Fact.

Brasília, Brazil, June 01, 2005.

**Carla Cico**  
Investor Relations Officer  
Brasil Telecom S.A.

**Paulo Pedrão Rio Branco**  
Investor Relations Officer  
Brasil Telecom Participações S.A.



