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Free Translation

**BRASIL TELECOM S.A.**  
**Publicly Traded Company**  
Corporate Taxpayer Registration  
76.535.764/0001-43  
NIRE 53 3 0000622 9

**BRASIL TELECOM PARTICIPAÇÕES S.A.**  
**Publicly Traded Company**  
Corporate Taxpayer Registration  
02.570.688/0001-70  
NIRE 53 3 0000581 8

**MATERIAL FACT**

1. Brasil Telecom S.A. and Brasil Telecom Participações S.A. ("Brasil Telecom"), in compliance with Brazilian Securities Commission (CVM) Instruction 358 of January 3, 2002, inform that, on June 11, 2003, concluded with certain affiliates of the GlobeNet Communications Group Ltd. (collectively, the "GlobeNet Group") the acquisition of the entire GlobeNet cable system, connecting landing points in the New York and Miami areas to landing points in Fortaleza and Rio de Janeiro in Brazil, St. David's in Bermuda and Maiquetia (Caracas, Venezuela). The transaction was carried out through the acquisition of assets located in the United States and Bermuda, as well as through acquisition of corporate control of companies in Brazil and Venezuela.
2. Brasil Telecom implemented the transaction through its wholly-owned subsidiaries BrT Serviços de Internet S.A. ("BrTSi"), Brasil Telecom Subsea Cable Systems (Bermuda) Ltd. ("BrT Bermuda") and Brasil Telecom of America, Inc. ("BTA"). BrT Bermuda and BTA were constituted in Bermuda and United States, respectively, with the specific purpose of acquiring the assets located abroad.
3. The value of the transaction is US\$46,781,709.00, of which US\$27,581,709.00 were paid on the closing date, and the balance of US\$19,200,000.00 will be paid within eighteen months following the initial payment. The amount of the second installment may be reduced upon the occurrence of certain contingencies agreed between the parties.
4. At closing, BrT Bermuda assumed certain capacity purchase agreements with terms of up to 25 years, which represent approximately 4% of the 80 Gpbs installed capacity. These contracts ensure annual revenues of more than US\$800,000.00 in the maintenance of the fiber optic submarine cable system, during the term of the contracts. These contracts do not imply increases in costs or expenses for BrT Bermuda.

5. The fiber optic submarine cable system acquired by Brasil Telecom is composed of two protected rings representing approximately 22,000 km of state-of-the-art fiber optic submarine cables, connecting Brazil to the United States and passing through Venezuela and Bermuda, with an installed capacity of 80 Gbps and a potential capacity of 1.36 Tbps. With this installed capacity, there is no expectation of additional investment in fixed assets in the short term.
6. With this transaction, Brasil Telecom continues to pursue its strategy of consolidation as an IP Broadband, Residential and Corporative Services Provider, as well as becoming the owner of an important fiber optic connection between Brazil and the United States, which is fundamental to Brazil's interests.
7. As informed in the Material Fact dated November 19, 2002, in connection with the provisions of article 10, §2 of the General Concession Plan ("Plano Geral de Outorgas" or "PGO"), approved by Decree 2534/98, this transaction does not involve the acquisition of a telecommunications service provider nor will it result in the provision, either directly or indirectly, of telecommunications services by Brasil Telecom or BrTSi other than those currently provided in Region II under the PGO. We also clarify that, as part of the corporate reorganization process, 360americas do Brasil Ltda. surrendered its telecommunications services authorizations back to Anatel.

Brasília, Brazil, June 12, 2003.

**Carla Cico**  
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Brasil Telecom S.A.

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Investor Relations Officer  
Brasil Telecom Participações S.A.