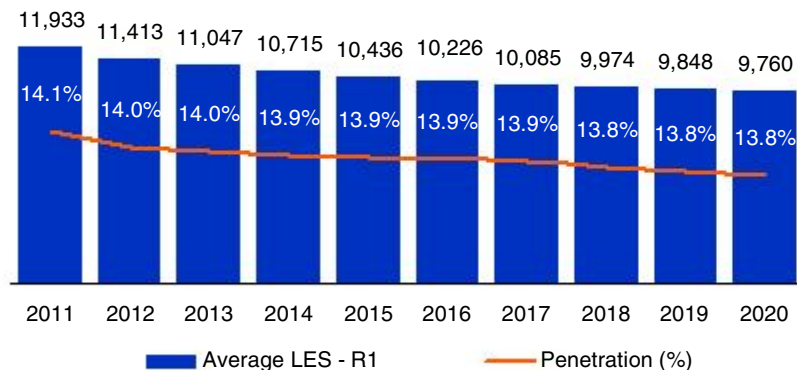
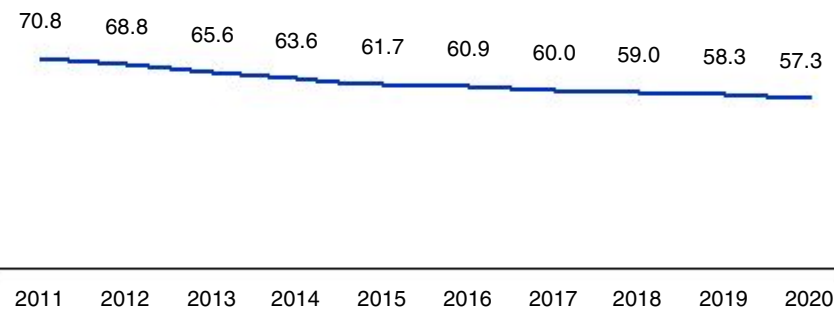


TMAR – Fixed Telephony and Broadband

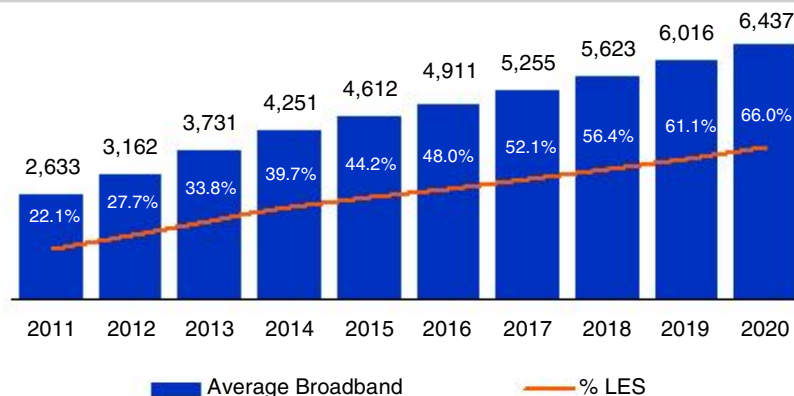
Average of Fixed Lines in Service ('000)



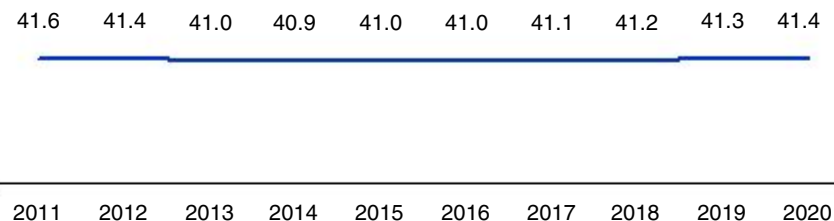
Fixed Telephony ARPU (R\$/Month)



Average of Broadband Subscribers ('000)



Broadband ARPU (R\$/Month)



Main Assumptions

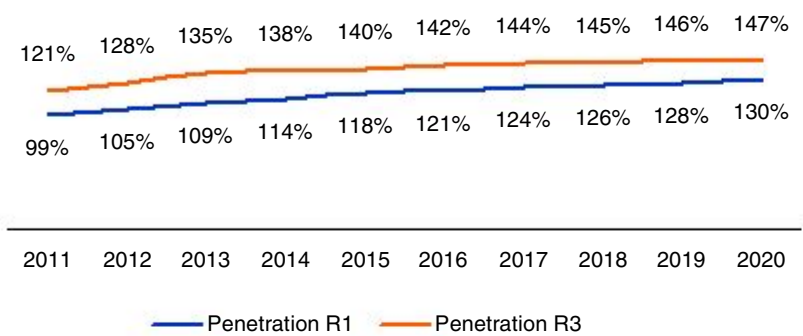
- ▶ The decrease in fixed lines is due to the tendency to migrate to mobile telephony. But the loss is smaller due to the greater bundling offerings capacity of TMAR
- ▶ The high growth in the number of TMAR broadband subscribers occurs because the company operates in a market marked by less penetration, where it is more likely to gain customers

Source: Oi

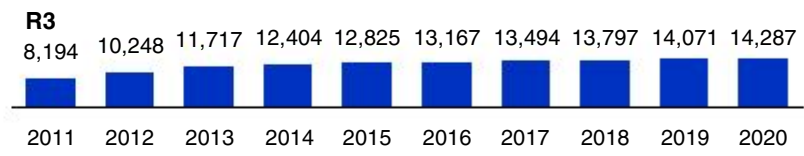
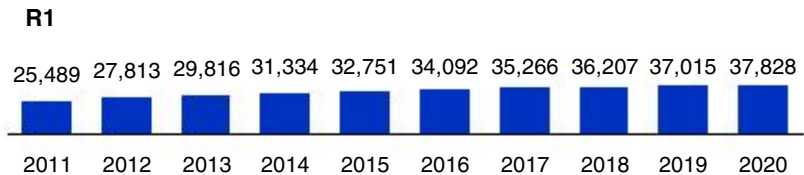


TMAR – Mobile Telephony

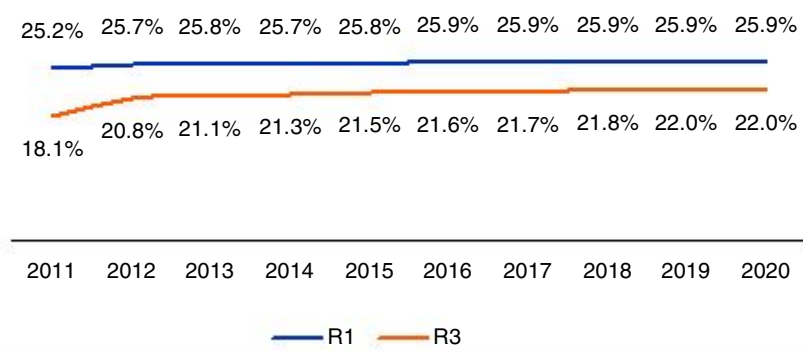
Penetration (%)



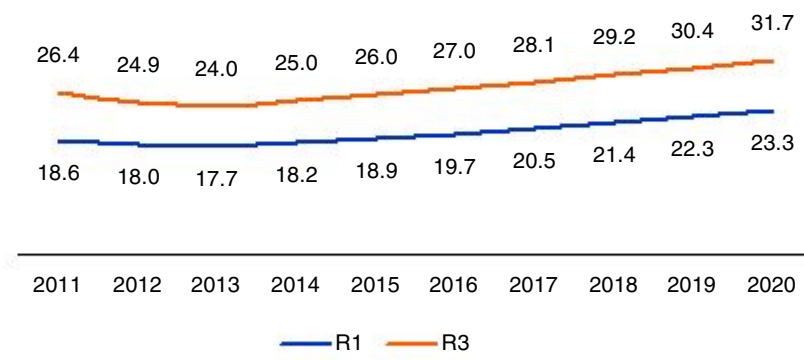
Average of Mobile Lines in Service ('000)



Market Share (%)



Mobile Telephony ARPU (R\$/Month)



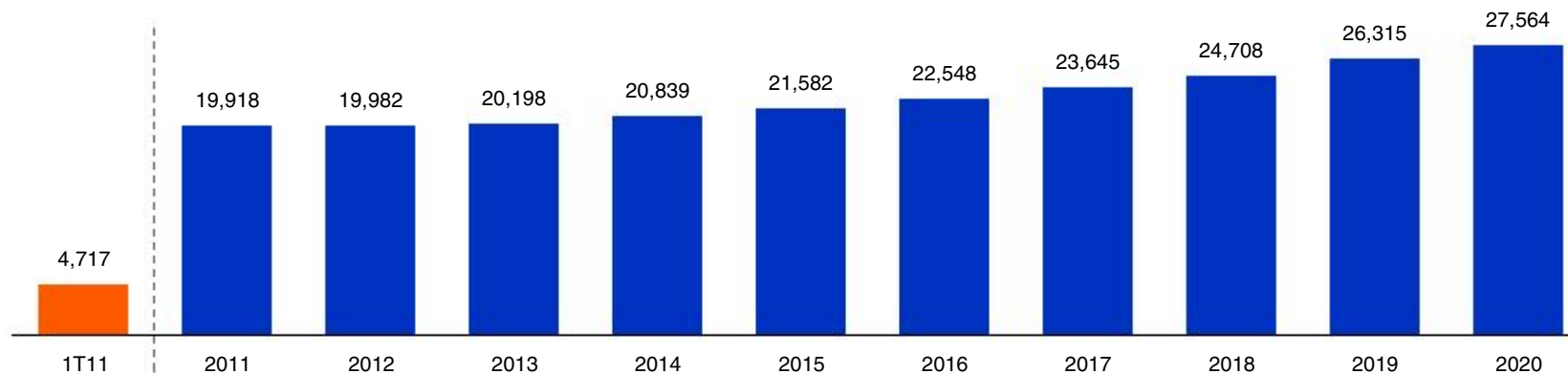
Main Assumptions

- ▶ Already having a solid market share in region 1, the company seeks to increase its market share in region 3
- ▶ Larger ARPU decrease in region 3 in the initial projection years due to the effort to increase market share

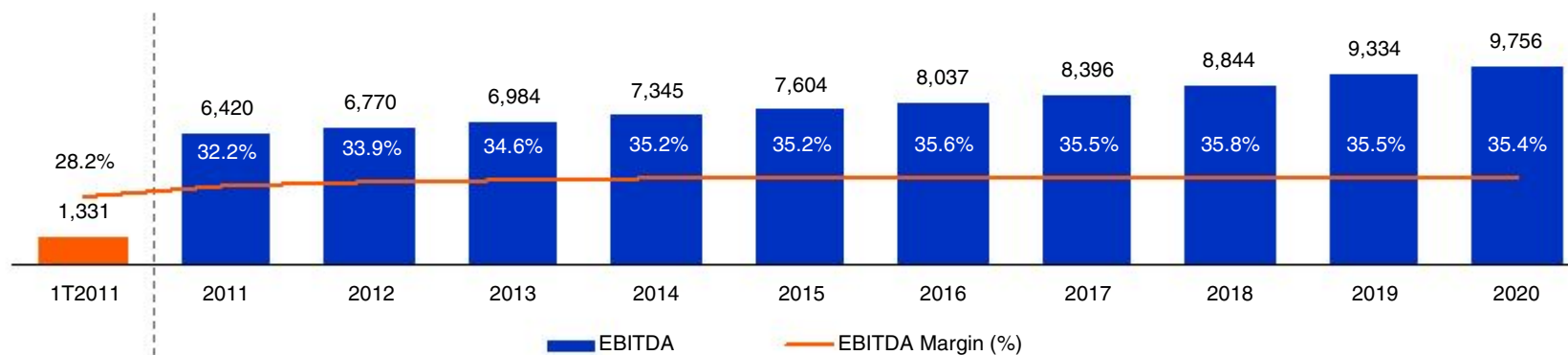
Source: Oi

TMAR – Financial Projections

Net Revenues (R\$ million)



EBITDA (R\$ million)



Main Assumptions

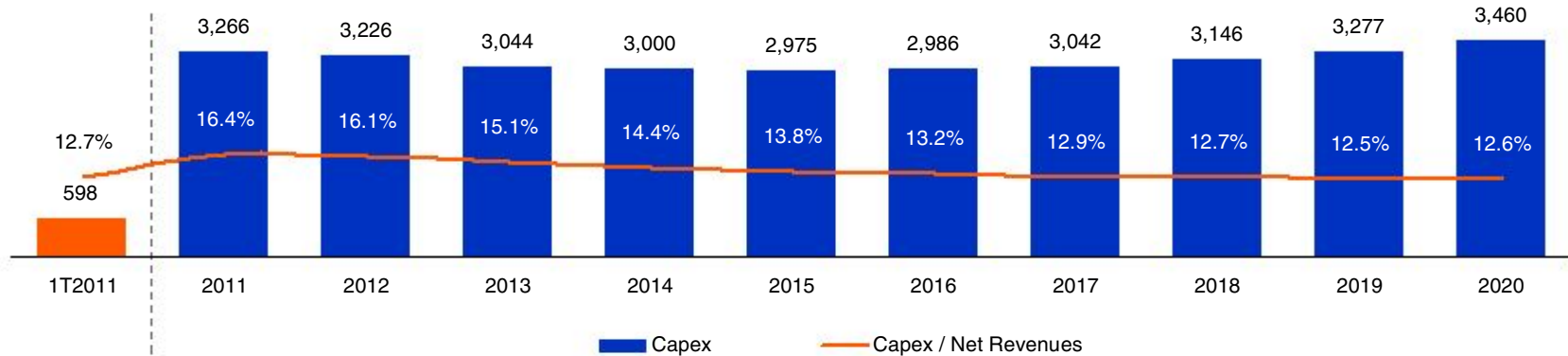
- ▶ A reasonable growth in net revenues may be explained by mobile telephony increased presence in region 3 and by the fact that region 1 is growing at a faster pace than the national average
- ▶ EBITDA margin expansion due to the company's larger market share in some regions where it operates (i.e. a marked fall in interconnection expenses due to the magnitude of mobile operations)

Source: Oi

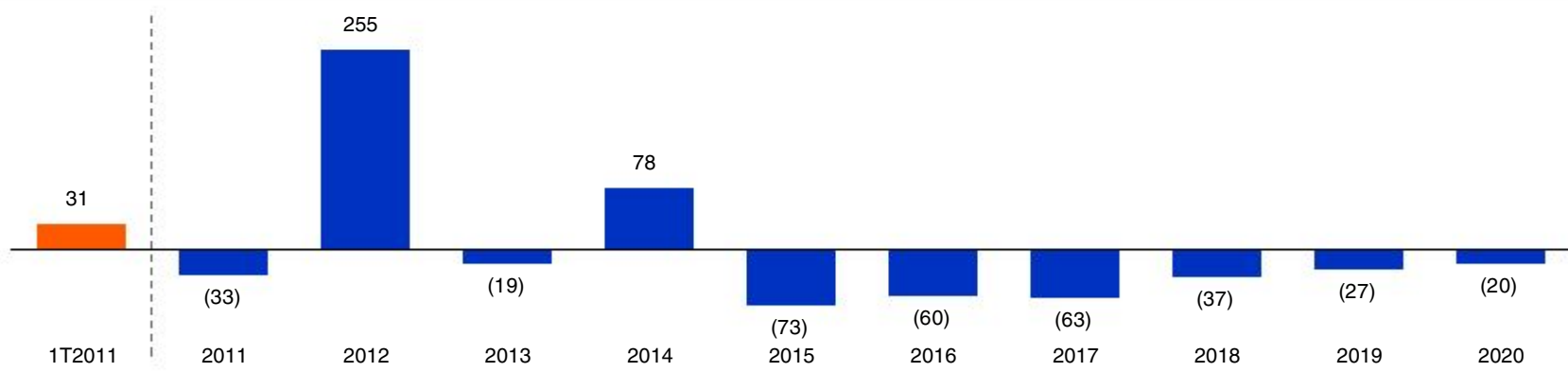


TMAR – Financial Projections

CAPEX (R\$ million)



Working Capital Changes (R\$ million)



Main Assumptions

- More significant investments in the initial years due to market share pursuit in region 3

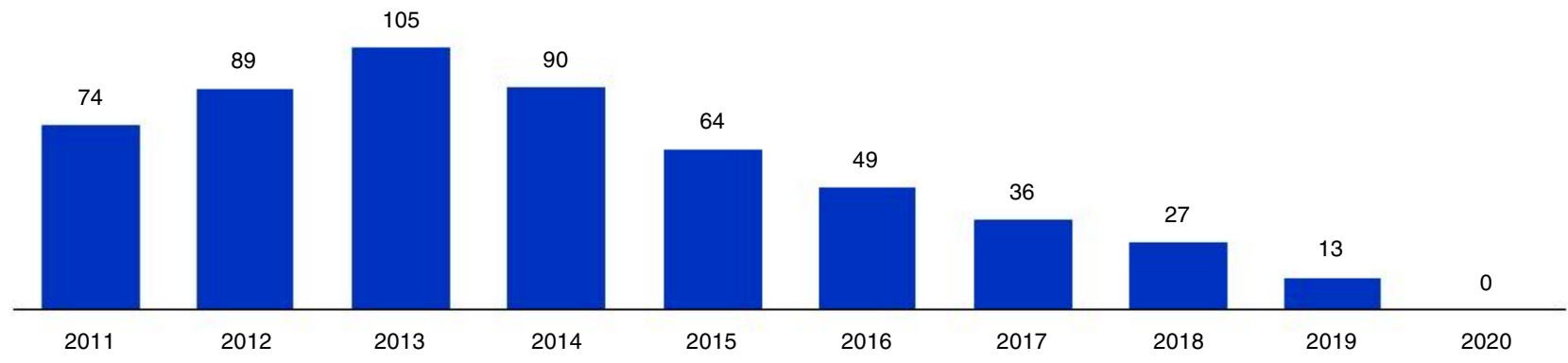
Source: Oi

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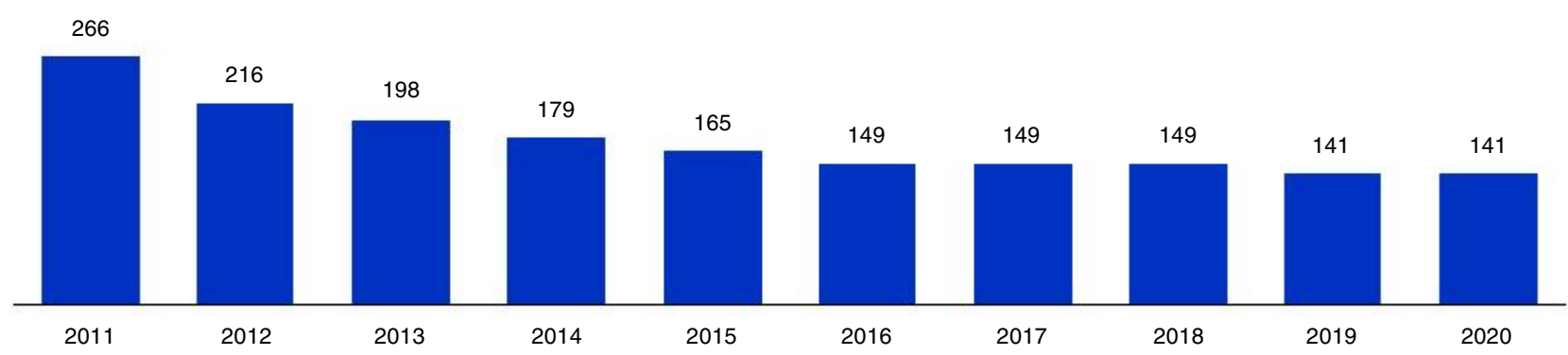


Projected Tax Economies

TMAR (R\$ million)



BRT (R\$ million)



Main Assumptions

- ▶ TMAR tax economies as a result of negative tax base (tax loss carryforward)
- ▶ BRT tax economies based on tax benefits from the goodwill generated by the acquisition of BRT (license and network)

Source: Oi



Tele Norte Leste Participações S.A.

Valuation Analysis

August 1st, 2011

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SECTION 1

Executive Summary





Executive Summary

BTG Pactual has prepared this presentation in order to assist the Independent Special Committee (“Comitê Especial Independente”) of Tele Norte Leste Participações S.A. (“TNL” or the “Company”) in determining the exchange ratios to be proposed to and negotiated with the Independent Special Committee of Brasil Telecom S.A. (“BRT”), in relation to the reorganization of the Oi Group, as detailed in the Material Fact published on May 24th, 2011.

For this purpose, the following methodologies were used:

- 1 Volume Weighted Average Historical Prices of Oi Group Shares
- 2 Discounted Cash Flow
- 3 Book Value of Shareholders' Equity





Methodologies Used to Calculate Exchange Ratios

Volume Weighted Average Historical Price

- Exchange ratio based on volume weighted average historical price
- Calculation of the volume weighted average price for the periods:
 - **Selected Period:** from March 29th, 2011 to May 23rd, 2011
 - **2-month Period:** from March 23rd, 2011 to May 23rd, 2011
 - **12-month Period:** from May 23rd, 2010 to May 23rd, 2011
 - As additional reference, weighted averages have also been calculated for: 15-day, 30-day, 45-day, 90-day and 180-day periods ending on May 23rd, 2011

Book Value of Shareholders' Equity

- Exchange ratio based on book value of shareholders' equity
- Calculation of the book value of shareholders' equity of each of the companies, adjusted for minority interests, divided by the respective number of shares

Discounted Cash Flow – “DCF”

- Exchange ratio based on the discounted cash flows of each of the companies, considering operational and financial projections from 2011 until 2020
- Sensitivity analysis to determine possible ranges of exchange ratios:
 - **WACC:** Sensitivity analysis to variation of the WACC from 8.5% to 10.5%, in US\$ and nominal terms
 - **Perpetuity Growth:** Sensitivity analysis to variation of the Perpetuity Growth (“g”) from 1.5% to 3.5%, in US\$ and nominal terms

Moving Average

- Exchange ratio based on the moving average of volume weighted average historical price
- Calculation considers moving volume weighted average of 3-month period

For all methodologies (except Book Value of Shareholders' Equity), BRTO4 and BRTO3 prices were adjusted for the distribution of redeemable shares, subject to implementation of the corporate reorganization, in the amount of R\$2.5433 per share, according to the Material Fact published on May 24th, 2011



Consideration on Methodologies / Recommendations

BTG Pactual believes the most appropriate valuation methodologies for the determination of the exchange ratios are volume weighted average price and discounted cash flow

✓ **Volume weighted average price**

- Voting and non-voting shares of TNL and voting and non-voting shares of BRT have adequate liquidity for their prices to be considered representative, and, in addition, TNLP3, BRTO4 and TNLP4 are part of the Bovespa Index
- Oi Group companies have the benefit of wide and up-to-date coverage by research analysts of various banks and brokerages

✓ **Discounted cash flow**

- Reflects the intrinsic value of companies according to the set of assumptions used to determine financial projections and discount rate
- Main disadvantage when compared to market prices is that it does not differentiate the prices of common (voting) and preferred (non-voting) shares, something that is historically recognized by the market

We believe that the methodologies of comparable companies trading multiples, precedent transaction multiples and Book Value of Shareholders' Equity are less suitable for the determination of exchange ratios

✓ **Book Value of Shareholders' Equity**

- Methodology is based on historical cost, which usually has a large gap compared to market value of assets

✓ **Comparable companies trading multiples**

- Using an average of comparable companies trading multiples to calculate the value of the companies analyzed does not take into consideration other relevant characteristics that may be decisive for the value of each business (e.g., growth rates, fiscal impacts, leverage, etc.).

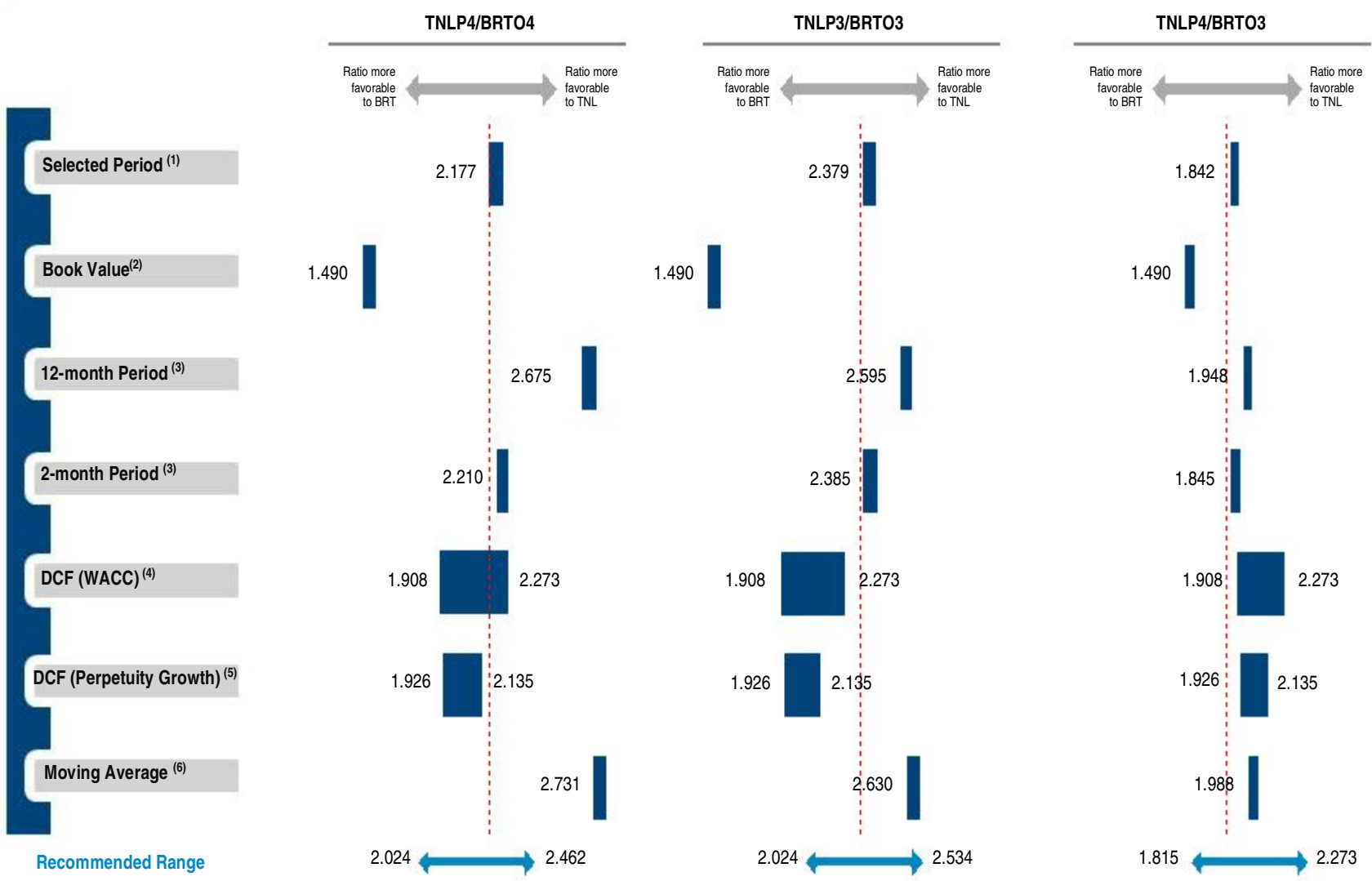
✓ **Precedent transaction multiples**

- Usually strongly influenced by factors with limited correlation to intrinsic value, such as control premium and synergies, and which are very specific to each transaction





Comparison Between Exchange Ratios

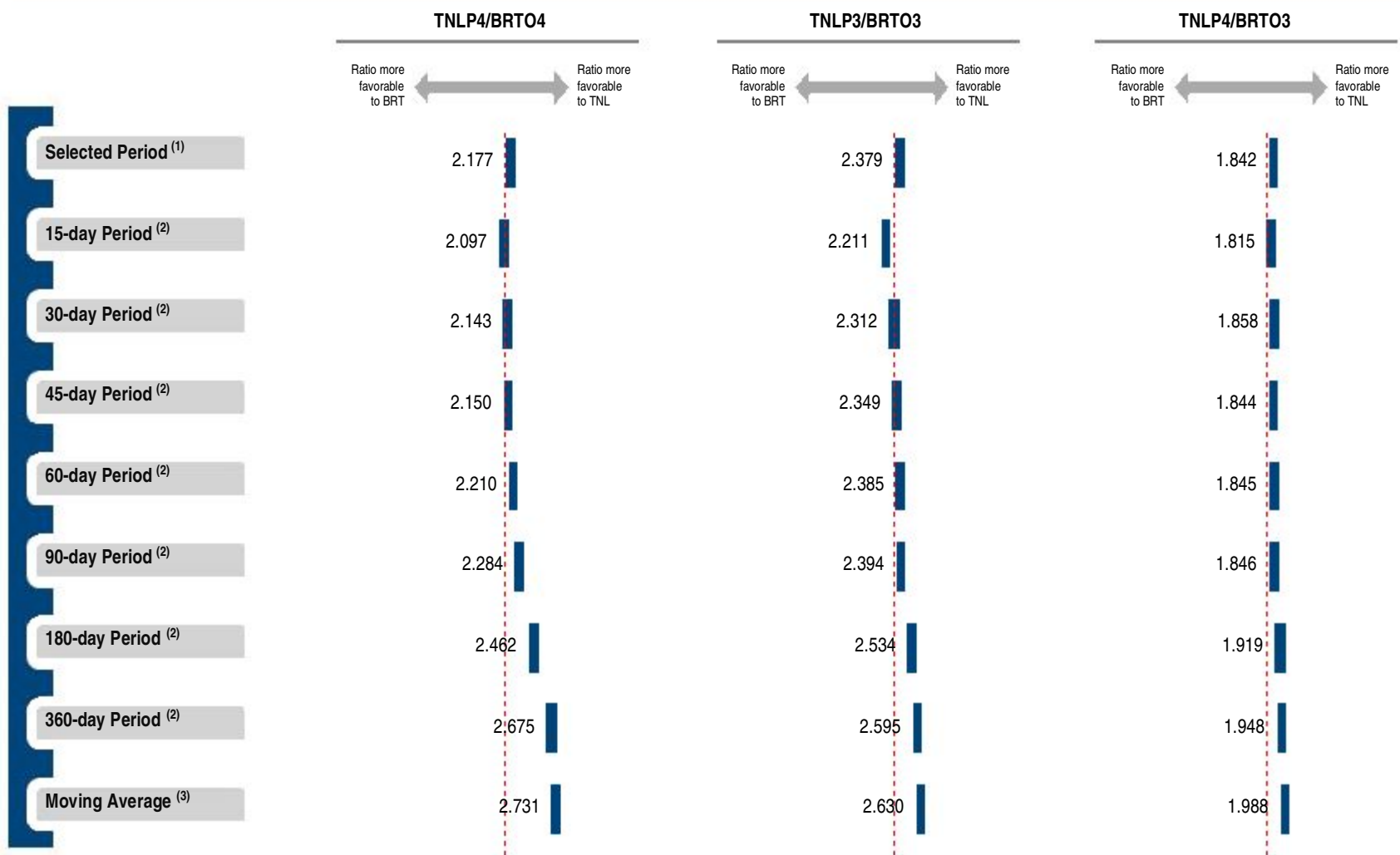


Source: Economática, Facset, CVM and BTG Pactual
 Notes: (1) From 03/29/2011 to 05/23/2011
 (2) Considers the number of shares on March 31st, 2011
 (3) Period prior to 05/23/2011
 (4) Considers WACC from 8.5% to 10.5%

(5) Considers Perpetuity Growth from 1.5% to 3.5%
 (6) Average moving averages for periods of prior three months to May 23rd, 2011, adjusted for the distribution of redeemable shares of R \$ 2.5433 per share issued by BRT



Comparison Between Exchange Ratios



Source: Economática, Facset, CVM and BTG Pactual

- Notes: (1) From 03/29/2011 to 05/23/2011
 (2) Period prior to 05/23/2011
 (3) Average moving averages for three-month period prior to May 23rd, 2011, adjusted for the distribution of redeemable shares of R \$ 2.5433 per share issued by BRT

TNL Valuation Summary

Economic Value (Discounted Cash Flow)^(1,2,3)

(R\$ Million, except price per share)

TMAR Equity Value - Proportional	18,664
(-) NPV of holding expenses	(107)
(-) Net Debt - Mar/2011	(1,238)
Proprietary Equity Value (R\$ mm)	17,319.6
# of shares	467
Value per share (R\$)	37.0

Book Value of Shareholders' Equity - TNL

As of March 31st, 2011

(R\$ million, except otherwise indicated)

Total Assets	79,384
(-) Total liabilities	53,871
(-) Minority interest	12,017
= Shareholders' Equity	13,496

Number of shares (million) 467

R\$/share 28.87

Section 5.A – Discounted Cash Flow – Page 38

Volume Weighted Average Price

12-month period prior to May 23rd, 2011 (inclusive)
 ON: R\$ 34.06 / PN: R\$ 25.57

6-month period prior to May 23rd, 2011 (inclusive)
 ON: R\$ 34.08 / PN: R\$ 25.81

3-month period prior to May 23rd, 2011 (inclusive)
 ON: R\$ 34.60 / PN: \$ 26.69

Section 5.C – Volume Weighted Average Price – Page 42



Source: Companhia, CVM, Economática and BTG Pactual.

Notes:

1. Base date: December 31st, 2010.
2. Price per share for the Valuation does not allocate premium or discount for any of the classes of shares.
3. Number of shares on March 31st, 2011, excluding treasury shares.



TMAR Valuation Summary

Economic Value (Discounted Cash Flow) ^(1,2,3)

(R\$ Million, except price per share)

NPV of Free Cash Flow to Firm (US\$mm)	27,359
NPV of Free Cash Flow to Firm (R\$mm)	43,774
BRT Enterprise Value	9,757
(-) BRT Minorities	(4,949)
TMAR Enterprise Value ex-BRT minorities	38,826
(-) Net Debt - Mar/2011	(13,958)
(+) BRT minorities Net Cash - Mar/2011	659
(+) NPV of Accumulated Losses	374
(+) NPV of Fiscal benefit from BRT acquisition goodwill	611
Equity Value (R\$ mm)	26,511.9
# of shares	344
Value per share (R\$)	77.06

Section 6.A – Discounted Cash Flow – Page 46

Volume Weighted Average Price

12-month period prior to May 23rd, 2011 (inclusive)

ON: R\$ 58.64 / PN: R\$ 48.86

6-month period prior to May 23rd, 2011 (inclusive)

ON: R\$ 58.20 / PN: R\$ 50.75

3-month period prior to May 23rd, 2011 (inclusive)

ON: R\$ 70.35 / PN: R\$ 53.74

Section 6.C – Volume Weighted Average Price – Page 55



Source: Companhia, CVM, Economática and BTG Pactual.

Notes:

1. Base date: December 31st, 2010.
2. Price per share for the Valuation does not allocate premium or discount for any of the classes of shares.
3. Number of shares on March 31st, 2011, excluding treasury shares.

Book Value of Shareholders' Equity - TMAR

As of March 31st, 2011
 (R\$ million, except otherwise indicated)

Total Assets	78,361
(-) Total liabilities	51,966
(-) Minority interest	5,976
= Shareholders' Equity	20,419
Number of shares (million)	344

R\$/share 59.35

Section 6.B – Book Value of Shareholders' Equity – Page 53



BRT Valuation Summary

Economic Value (Discounted Cash Flow)^(1,2,3)

(R\$ Million, except share price)

NPV of FCFF - projected period (US\$ mm)	2,591
NPV of FCFF - perpetuity (US\$ mm)	3,507
NPV of Free Cash Flow to Firm (US\$mm)	6,098
NPV of Free Cash Flow to Firm (R\$mm)	9,757
(+) Net Cash - Mar/2011	1,299
(+) NPV of Fiscal benefit from BRT acquisition goodwill	1,239
Equity Value (R\$ mm)	12,295.2
# of shares	590
Value per share (R\$)	20.85
Value per share after redeemable shares (R\$)	18.30

Section 7.A – Discounted Cash Flow – Page 59

Volume Weighted Average Price

(Not adjusted for proposed distribution of redeemable shares)

12-month period prior to May 23rd, 2011 (inclusive)

ON: R\$ 15.67/ PN: R\$ 12.10

6-month period prior to May 23rd, 2011 (inclusive)

ON: R\$ 15.99/ PN: R\$ 13.03

3-month period prior to May 23rd, 2011 (inclusive)

ON: R\$ 17.00/ PN: R\$ 14.23

Section 7.C – Volume Weighted Average Price – Page 68



Source: Companhia, CVM, Economática and BTG Pactual.

Notes:

1. Base date: December 31st, 2010.
2. Price per share for the Valuation does not allocate premium or discount for any of the classes of shares.
3. Number of shares on March 31st, 2011, excluding treasury shares.

Book Value of Shareholders' Equity - BRT

As of March 31st, 2011

(R\$ million, except otherwise indicated)

Total Assets	26,811
(-) Total liabilities	15,381
(-) Minority interest	0
= Shareholders' Equity	11,430

Number of shares (million) 590

R\$/share 19.38

Section 7.B – Book Value of Shareholders' Equity – Page 66



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SECTION 2

Information About the Evaluator



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Information About the Evaluator

As established in CVM Instruction No. 319, Banco BTG Pactual S.A. (“BTG Pactual”) represents that:

1. BTG Pactual holds no securities issued by Tele Norte Leste Participações S.A. (TNLP4, TNLP3 and TNE US), Telemar Norte Leste S.A. (TMAR5, TMAR3, TMAR6) or Brasil Telecom S.A. (BRTO4, BRTO3 and BTM US) based on data as of July 21st 2011.
2. It has no direct or indirect interest in TNL or in the Transaction, and there is no other relevant circumstance that may be considered a conflict of interest;
3. The controlling shareholder or managers of the Companies have not directed, limited, hindered or performed any act that adversely affected or may have adversely affected the access to, use or knowledge of information, assets, documents or work methodologies relevant for the quality of the respective conclusions;
4. It has no conflict of interest that may in any way restrict its capacity to independently arrive at the conclusions presented in this Report;





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SECTION 3

Market and Companies' Overview



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SECTION 3.A

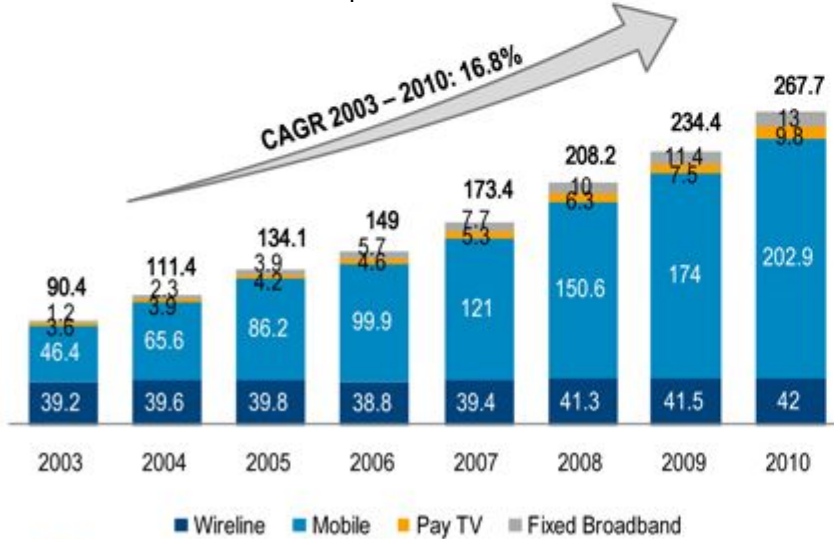
Market and Companies' Overview

Market Overview

Brazilian Telecommunications Market Snapshot

Overview

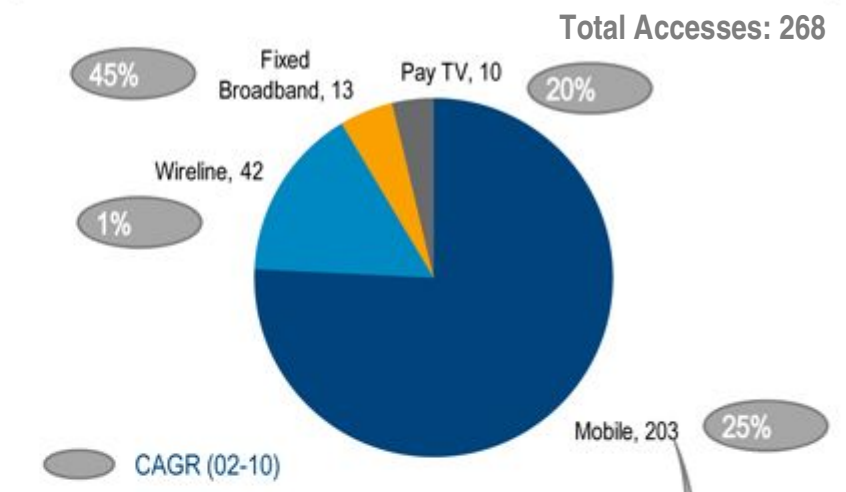
- Fixed Broadband penetration: 23% of households;
- Mobile penetration rate reached 105% of the population in Dec/10;
- Broadband presenting strong growth;
- Multiple chip is a market trend (on-net calls)
- As of Dec/10, there were over 4.3 million 3G accesses (only 2.1% of the mobile users)
- Brazilian mobile ARPU (average revenue per user) is only US\$13.59, with great growth potential when compared to other countries such as Chile US\$ 15.41, Italy US\$ 24.45, Israel US\$ 38.23
- Pre-Paid mobile users represents 82% of the total access



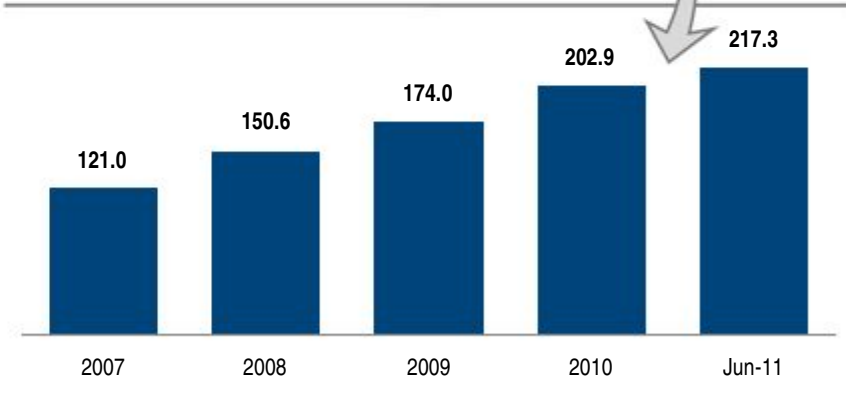
■ Wireline ■ Mobile ■ Pay TV ■ Fixed Broadband



Brazilian Market (Dec/10) – Accesses (million)



Mobile Market – Includes 3G (million accesses)



Source: Anatel, Teleco and BTG Pactual

Notes:
 1) December 2010 data



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SECTION 3.B

Market and Companies' Overview

TNL Overview



TNL Overview

Company Overview

Brief Overview

- Tele Norte Leste Participações was created on May 22nd, 1998, during the privatization process of Sistema Telebrás.
- Tele Norte Leste Participações has common shares and preferred shares traded on the BM&FBovespa.
- TNL's primary purpose is to hold shares in and manage its direct and indirect subsidiaries.
- TNL is a holding company controlled by Telemar Participações S.A. ("TmarPart"), which held 17.3% of its total capital and 46.82% of its voting capital as of March 31st, 2011.
- TNL has the following subsidiaries: Telemar Norte Leste S.A, TNL PCS S.A., 14 Brasil Telecom S.A., and Brasil Telecom Celular S.A.

Recent Events

- March 28th, 2011: TNL approved a partial increase in its capital with the issuance of 56,417,086 new common shares and 28,409,175 preferred shares, totaling R\$ 2,978,006,042.55.
- June 3rd, 2011: TNL disclosed to the market the name of the new CEO of TNL and related companies, after having previously reported the fact that the former CEO was going to leave the company.



Sources: Company's Website and Reports



TNL Overview

Company Overview

Board of Directors and Executive Officers

Board of Directors (mandated until 2013)	
José Mauro Mettrau Carneiro da Cunha, <i>Member</i>	Shakhaf Wine, <i>Member</i>
Alexandre Jereissati Legey, <i>Member</i>	Carlos Fernando Costa, <i>Member</i>
Pedro Jereissati, <i>Member</i>	Sérgio Franklin Quintella, <i>Member</i>
Otávio Marques de Azevedo, <i>Member</i>	Renato Torres de Faria, <i>Member</i>
Fernando Magalhães Portella, <i>Member</i>	Cláudio Figueiredo Coelho Leal, <i>Member</i>
Zeinal Abedin Mahomed Bava, <i>Member</i>	Demóstenes Marques, <i>Member</i>
Fábio de Oliveira Moser, <i>Member</i>	

Executive Officer	Position
José Mauro Mettrau Carneiro da Cunha ⁽¹⁾	CEO
Fabiano Castello	Internal Audit
João de Deus	Executive Planning
George Moraes	Corporate Communication
Jorge Jardim	Institutional Relations
Carlos Cidade	Regulatory Policy
Eurico Teles	Legal
Paulo Mattos	Regulatory
Julio Fonseca	Human Resources
Alex Zornig	Administrative and Financial
Luiz Perrone	International Affairs
James Meaney	COO

Shareholder Structure

Shareholder	ON Shares	% ON	PN Shares	% PN	Total	% Total
Telemar Participações	103,813,689	55.51%	--	--	103,813,689	21.78%
PREVI	6,857,087	3.67%	11,730,869	4.05%	18,587,956	3.90%
Luxemburgo Participações	--	--	11,412,900	3.94%	11,412,900	2.39%
LF Tel S.A.	--	--	11,412,700	3.94%	11,412,700	2.39%
Bratel Brasil	20,752,270	11.10%	28,298,549	9.77%	49,050,819	10.29%
Others	52,584,892	28.12%	220,611,054	76.17%	273,195,946	57.31%
Treasury Shares	3,020,880	1.62%	6,166,566	2.13%	9,187,446	1.93%
TOTAL	187,028,818	100.00%	289,632,638	100.00%	476,661,456	100.00%



Source: Company.

Notes:

1) Mr. Jose Mauro Mettrau Carneiro da Cunha was elected as interim CEO at the Special Meeting of the Board of Directors of TNL held on June 30th, 2011

TNL Overview

Financial Statements: Income Statement

Income Statement	Twelve months ended:		3 months ended	
	12/31/2009	12/31/2010	03/31/2010	03/31/2011
<i>(Values in R\$ '000)</i>				
Net Operating Revenues	29,996,832	29,479,382	7,463,051	6,933,077
Cost of services rendered	(18,457,853)	(16,638,670)	(4,145,832)	(4,009,722)
Gross profit	11,538,979	12,840,712	3,317,219	2,923,355
Operating income (expenses)	(3,731,159)	(8,743,389)	(2,302,608)	(2,394,607)
Selling	(5,301,979)	(4,886,331)	(1,211,925)	(1,257,410)
General and administrative	(3,067,350)	(2,789,784)	(781,548)	(703,030)
Other operating revenues	8,102,949	1,331,997	235,516	224,197
Other operating expenses	(3,464,779)	(2,399,271)	(544,651)	(658,364)
Operating profit before financial interest	7,807,820	4,097,323	1,014,611	528,748
Financial revenues	1,601,025	1,929,470	383,166	343,706
Financial expenses	(3,988,338)	(4,361,106)	(956,811)	(1,572,107)
Earnings before income taxes and social contribution	5,420,507	1,665,687	440,966	(699,653)
Income tax and social contribution	(328,093)	83,809	76,525	304,324
Current taxes	(874,917)	(688,485)	(144,448)	(185,481)
Deferred taxes	546,824	772,294	220,973	489,805
Net profit (losses)	5,092,414	1,749,496	517,491	(395,329)



Source: Company and CVM



TNL Overview

Financial Statements: Consolidated Balance Sheet

ASSETS	Period ended:			
	12/31/2008	12/31/2009	12/31/2010	03/31/2011
<i>(Values in R\$ '000)</i>				
Current Assets	17,052,579	18,318,476	22,172,485	25,777,897
Cash & Cash Equivalents	10,737,949	8,024,369	11,199,806	13,979,588
Credits (clients)	3,896,332	5,941,987	5,893,845	5,878,953
Inventories	153,368	162,774	98,212	116,314
Recoverable Securities	791,856	507,831	1,103,642	1,316,374
Others Current Assets	1,473,074	3,681,515	3,876,980	4,486,668
Non-current assets	23,492,166	55,683,786	52,964,898	53,605,674
Short-term investments measured at fair value	1,519	4,991	9,092	34,087
Deferred taxes	3,276,242	5,727,450	5,623,381	5,975,087
Others Non-current Assets	4,691,336	6,815,347	7,328,653	8,290,397
Investments	49,320	54,695	54,692	54,692
Plant, properties and equipment	12,718,509	25,296,273	23,349,065	23,032,971
Intangible assets	2,755,240	17,785,030	16,600,015	16,218,440
Total Assets	40,544,745	74,002,262	75,137,383	79,383,571



Source: Company and CVM



TNL Overview

Financial Statements: Consolidated Balance Sheet

LIABILITIES AND SHAREHOLDERS' EQUITY	Period ended:			
	12/31/2008	12/31/2009	12/31/2010	03/31/2011
(Values in R\$ '000)				
Current liabilities	<u>9,149,421</u>	<u>18,272,538</u>	<u>19,315,668</u>	<u>17,231,903</u>
Wages and social contributions	273,541	362,385	567,556	505,288
Suppliers	1,902,629	4,054,785	4,038,747	3,751,229
Taxes	437,052	187,457	732,505	914,178
Short-term loans and financing	3,545,906	7,964,360	7,144,441	5,354,409
Other liabilities	2,650,439	4,083,055	5,061,855	4,757,213
Provisions	339,854	1,620,496	1,770,564	1,949,586
Long-term liabilities	<u>20,432,403</u>	<u>35,619,206</u>	<u>35,848,158</u>	<u>36,639,041</u>
Long-term loans and financing	16,189,694	20,861,606	21,991,458	22,193,110
Other liabilities	1,960,798	4,753,905	4,849,422	5,537,959
Deferred securities	26,041	4,005,836	3,331,162	3,186,614
Provisions	2,255,870	5,997,859	5,676,116	5,721,358
Shareholders' Equity	<u>10,962,921</u>	<u>20,110,518</u>	<u>19,973,557</u>	<u>25,512,627</u>
Capital Stock	5,448,731	5,448,731	5,448,731	7,254,682
Capital Reserves	105,657	130,722	142,840	1,316,581
Profit Reserves	5,116,033	6,565,155	6,456,432	6,456,432
Accumulated profit / losses	(825,004)	-	-	(169,795)
Valuation adjustments to equity	-	(861,417)	(868,867)	(1,361,947)
Others Results	(612,787)	-	-	-
Minorities Interest	1,730,291	8,827,327	8,794,421	12,016,674
Total Liabilities and Shareholders' Equity	<u>40,544,745</u>	<u>74,002,262</u>	<u>75,137,383</u>	<u>79,383,571</u>



Source: Company and CVM



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SECTION 3.C

Market and Companies' Overview

TMAR Overview



TMAR Overview

Company Overview

Brief Description

- In 2001, TNL integrated fixed-line operators in 16 states in the North, Northeast and Southeast of Brazil, forming a single company, Telemar Norte Leste SA ("Telemar" or "TMAR").
- TMAR provides fixed telecommunications services in Region I, consisting of 16 states in the northeast and southeast of Brazil and international long distance service - LDI throughout the Brazilian territory.
- The company is controlled by TNL, which as of March 31st, 2011 held 70.39% of its total capital and 98.01% of the voting shares.
- TMAR also owns the subsidiaries BRT, 14 Brasil Telecom Celular S.A . and TNL PCS S.A.

Recent Events

- March 28th, 2011: TMAR approved a partial increase in its capital with the issuance of 46,969,121 new common shares and 58,696,856 preferred shares, totaling R\$ 5,968,920,266.67.



Source: Company's Website and Reports



TMAR Overview

Company Overview

Board of Directors and Executive Officers

Board of Directors (mandated until 2014)
José Mauro Mettrau Carneiro da Cunha , <i>Member</i>
João de Deus Pinheiro de Macêdo, <i>Member</i>
Eurico de Jesus Teles Neto, <i>Member</i>
Luiz Eduardo Falco Pires Corrêa, <i>Member</i>
Marcos Duarte Santos, <i>Member</i>

Executive Officer	Position
José Mauro Mettrau Carneiro da Cunha ⁽¹⁾	CEO
Fabiano Castello	Internal Audit
João de Deus	Executive Planning
George Moraes	Corporate Communication
Jorge Jardim	Institutional Relations
Carlos Cidade	Regulatory Policy
Eurico Teles	Legal
Paulo Mattos	Regulatory
Julio Fonseca	Human Resources
Alex Zornig	Administrative and Financial
Luiz Perrone	International Affairs
James Meaney	COO

Shareholder Structure

Shareholder	ON Shares	% ON	PN Shares	% PN	Total	% Total
Tele Norte Leste Participações	150,971,022	98.01%	91,250,247	0.4791	242,221,269	70.31%
Telemar Participações	--	--	13,079,176	6.87%	13,079,176	3.80%
Bratel Brasil	--	--	32,475,534	0.1705	32,475,534	9.43%
Luxemburgo Participações	--	--	11,240,386	5.90%	11,240,386	3.26%
LF Tel S.A.	--	--	11,240,386	0.059	11,240,386	3.26%
Others	3,061,191	1.99%	30,738,889	16.14%	33,800,080	9.81%
Treasury Shares	1	0.00%	440,132	0.0023	440,133	0.13%
TOTAL	154,032,214	100.00%	190,464,750	100.00%	344,496,964	100.00%

Source: Company.

Notes:

1) Mr. Jose Mauro Mettrau Carneiro da Cunha was elected as interim CEO at the Special Meeting of Board of Directors of TNL held on June 30th, 2011



TMAR Overview

Financial Statements: Income Statement

Income Statement	Twelve months ended:		3 months ended	
	12/31/2009	12/31/2010	03/31/2010	03/31/2011
<i>(Values in R\$ '000)</i>				
Net Operating Revenues	29,927,182	29,431,553	7,446,663	6,933,078
Cost of services rendered	(18,386,335)	(16,597,686)	(4,129,348)	(4,009,740)
Gross profit	11,540,847	12,833,867	3,317,315	2,923,338
Operating income (expenses)	(3,687,894)	(8,708,558)	(2,288,258)	(2,384,275)
Selling	(5,287,206)	(4,867,768)	(1,206,776)	(1,257,075)
General and administrative	(3,027,938)	(2,755,048)	(773,358)	(694,368)
Other operating revenues	8,065,238	1,301,504	234,925	225,042
Other operating expenses	(3,437,988)	(2,387,246)	(543,049)	(657,874)
Operating profit before financial interest	7,852,953	4,125,309	1,029,057	539,063
Financial revenues	1,607,518	1,888,659	408,918	335,352
Financial expenses	(4,052,097)	(4,248,331)	(999,517)	(1,535,088)
Earnings before income taxes and social contribution	5,408,374	1,765,637	438,458	(660,673)
Income tax and social contribution	(315,636)	112,773	80,879	291,660
Current taxes	(870,583)	(688,481)	(144,435)	(185,470)
Deferred taxes	554,947	801,254	225,314	477,130
Net profit (losses)	5,092,738	1,878,410	519,337	(369,013)



Source: Company and CVM

TMAR Overview

Financial Statements: Consolidated Balance Sheet

ASSETS	Period ended:			
	12/31/2008	12/31/2009	12/31/2010	03/31/2011
<i>(Values in R\$ '000)</i>				
Current Assets	16,042,542	17,883,270	21,495,565	25,269,441
Cash & Cash Equivalents	9,843,950	7,621,524	10,564,637	13,489,271
Credits (clients)	3,897,171	5,958,504	5,896,592	5,880,865
Inventories	153,368	162,448	98,212	116,314
Recoverable taxes	708,359	494,334	1,089,823	1,311,704
Others Current Assets	1,439,694	3,646,460	3,846,301	4,471,287
Non-current Assets	23,362,403	55,493,656	52,480,821	53,091,242
Short-term investments measured at fair value	1,519	4,991	9,092	34,087
Recoverable Securities	2,862,399	5,249,093	5,186,261	5,525,123
Receivables	450,175	468,756	-	-
Other assets	4,651,147	6,779,742	7,299,201	8,243,045
Investments	41,691	47,064	47,061	47,061
Plant, properties and equipment	12,675,924	25,236,642	23,340,448	23,024,652
Intangible assets	2,679,548	17,707,368	16,598,758	16,217,274
Total Assets	39,404,945	73,376,926	73,976,386	78,360,683



Source: Company and CVM

TMAR Overview

Financial Statements: Consolidated Balance Sheet

LIABILITIES AND SHAREHOLDERS' EQUITY	Period ended:			
	12/31/2008	12/31/2009	12/31/2010	03/31/2011
Current liabilities	8,695,587	17,909,751	17,608,807	15,624,929
Wages and social contributions	270,795	359,665	567,147	504,878
Suppliers	1,898,626	4,045,798	4,039,775	3,751,412
Taxes	436,976	187,377	732,415	914,077
Short-term loans and financing	3,340,557	7,857,669	5,551,989	3,829,027
Other liabilities	2,427,858	3,839,311	4,946,917	4,675,949
Provisions	320,775	1,619,931	1,770,564	1,949,586
Long-term liabilities	21,270,744	35,772,516	35,535,962	36,341,438
Long-term loans and financing	17,268,949	21,240,147	21,874,045	22,090,910
Other liabilities	1,703,718	4,530,115	4,655,098	5,343,304
Deferred securities	26,041	4,005,838	3,331,161	3,186,614
Provisions	2,272,036	5,996,416	5,675,658	5,720,610
Shareholders' Equity	9,438,614	19,694,659	20,831,617	26,394,316
Capital Stock	7,418,989	7,434,429	7,445,720	11,614,365
Capital Reserves	2,220,406	2,039,144	2,051,161	3,807,926
Profit Reserves	1,460,904	4,832,786	6,243,830	6,272,487
Accumulated profit / losses	(941,572)	-	-	(203,703)
Valuation adjustments to equity	-	(1,050,522)	(1,050,522)	(1,072,973)
Others Results	(747,310)	-	-	-
Minorities Interest	27,197	6,438,822	6,141,428	5,976,214
Total Liabilities and Shareholders' Equity	39,404,945	73,376,926	73,976,386	78,360,683



Source: Company and CVM



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SECTION 3.D

Market and Companies' Overview

BRT Overview



BRT Overview

Company Overview

Brief Description

- TMAR acquired BRT in 2009, starting to operate throughout the national territory.
- BRT is a concessionaire of the STFC – Serviço Telefônico Fixo Comutado (“Fixed Switched Telephone Service”) and has been operating since July 1998 in Region II of the PGO – Plano Geral de Outorgas (“General Concession Plan”), covering the Brazilian states of Acre, Rondonia, Mato Grosso, Mato Grosso do Sul, Tocantins, Goiás, Paraná, Santa Catarina, Rio de Janeiro, and Distrito Federal
- In January 2004, the company also began to offer domestic long distance and international long distance services in all regions. The local service outside the Region II started to be offered in January 2005.
- BRT also owns authorization to provide mobile services in Region II through 14 Brasil Telecom Celular S.A.

Recent Events

- October 20th, 2010: CADE approved, without structural restrictions, the acquisition of BRT by Oi, subject to the signature of a “Letter of Commitment of Performance” (TCD – Termo de Compromisso de Desempenho).
- June 16th, 2010: After an extraordinary shareholders meeting, the minority holders of common and preferred shares of BRT did not accept the proposed exchange ratio between shares of BRT and TMAR
- January 14th, 2010: Disclosure of an increase of R\$1,290 million to the provision for legal contingencies in connection with civil legal claims with respect to the rights of holders of expansion plans, implying an adjusted gross total of R\$2,535 million.



Source: Company's website and reports



BRT Overview

Company Overview

Board of Directors and Executive Officers

Board of Directors (mandated until 2014)
José Mauro Mettrau Carneiro da Cunha , <i>Member</i>
João de Deus Pinheiro de Macêdo, <i>Member</i>
Francisco Aurélio Sampaio Santiago, <i>Member</i>
Francis James Leahy Meaney, <i>Member</i>
João Carlos de Almeida Gaspar, <i>Member</i>

Executive Officer	Position
José Mauro Mettrau Carneiro da Cunha ⁽¹⁾	CEO
Fabiano Castello	Internal Audit
João de Deus	Executive Planning
George Moraes	Corporate Communication
Jorge Jardim	Institutional Relations
Carlos Cidade	Regulatory Policy
Eurico Teles	Legal
Paulo Mattos	Regulatory
Julio Fonseca	Human Resources
Alex Zornig	Administrative and Financial
Luiz Perrone	International Affairs
James Meaney	COO

Shareholder Structure

Shareholder	ON Shares	% ON	PN Shares	% PN	Total	% Total
Coari	161,990,001	79.63%	128,675,049	32.20%	290,665,050	48.20%
Minority	41,433,175	20.37%	257,690,765	64.49%	299,123,940	49.60%
Treasury Shares	--	--	13,231,556	3.31%	13,231,556	2.19%
TOTAL	203,423,176	100.00%	399,597,370	100.00%	603,020,546	100.00%



Source: Company
 Notes:

1) Mr. Jose Mauro Mettrau Carneiro da Cunha was elected as interim CEO at the Special Meeting of Board of Directors of TNL held on June 30th, 2011

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BRT Overview

Financial Statements: Income Statement

Income Statement	Twelve months ended:		3 months ended	
	12/31/2009	12/31/2010	03/31/2010	03/31/2011
<i>(Values in R\$ '000)</i>				
Net Operating Revenues	10,919,890	10,263,292	2,620,563	2,369,848
Cost of services rendered	(5,764,221)	(4,732,081)	(1,247,267)	(1,136,924)
Gross profit	5,155,669	5,531,211	1,373,296	1,232,924
Operating income (expenses)	(6,232,318)	(3,071,681)	(793,238)	(828,331)
Selling	(1,417,845)	(1,025,010)	(280,296)	(290,045)
General and administrative	(1,434,808)	(1,538,941)	(315,742)	(350,033)
Other operating revenues	659,940	523,962	117,933	90,929
Other operating expenses	(4,039,605)	(1,031,692)	(315,133)	(279,182)
Operating profit before financial interest	(1,076,649)	2,459,530	580,058	404,593
Financial revenues	630,247	979,455	195,502	245,164
Financial expenses	(911,596)	(1,059,710)	(254,910)	(525,712)
Earnings before income taxes and social contribution	(1,357,998)	2,379,275	520,650	124,045
Income tax and social contribution	338,687	(408,415)	(139,005)	(30,673)
Current taxes	(449,903)	(149,117)	(40,412)	(57,946)
Deferred taxes	788,590	(259,298)	(98,593)	27,273
Net profit (losses)	(1,019,311)	1,970,860	381,645	93,372



Source: Company and CVM



BRT Overview

Financial Statements: Consolidated Balance Sheet

ASSETS	Period ended:			
	12/31/2008	12/31/2009	12/31/2010	03/31/2011
<i>(Values in R\$ '000)</i>				
Current Assets	5,960,538	6,127,062	8,486,797	8,245,326
Cash & Cash Equivalents	2,040,425	2,099,392	4,049,014	3,560,813
Credits (clients)	2,210,090	1,992,141	2,069,908	2,046,614
Inventories	54,048	42,063	14,323	14,303
Recoverable taxes	18,919	122,852	334,954	400,356
Others Current Assets	1,637,056	1,870,614	2,018,598	2,223,240
Non-current Assets	12,372,501	18,436,858	18,399,317	18,565,529
Short-term investments measured at fair value	-	-	-	12,425
Recoverable Securities	1,714,512	5,680,495	5,276,443	5,298,455
Receivables	-	1,674,750	1,911,134	1,980,630
Other Non-current assets	3,110,443	4,237,194	4,571,138	4,678,240
Investments	3,744	5,374	5,370	5,370
Plant, properties and equipment	5,911,584	5,266,641	5,316,799	5,339,241
Intangible assets	1,632,218	1,572,404	1,318,433	1,251,168
Total Assets	18,333,039	24,563,920	26,886,114	26,810,855



Source: Company and CVM

BRT Overview

Financial Statements: Consolidated Balance Sheet

LIABILITIES AND SHAREHOLDERS' EQUITY	Period ended:			
	12/31/2008	12/31/2009	12/31/2010	03/31/2011
(Values in R\$ '000)				
Current liabilities	5,061,778	5,423,672	6,690,689	6,302,152
Wages and social contributions	193,394	120,082	171,782	157,397
Suppliers	1,889,543	1,554,278	1,636,598	1,542,001
Taxes	809,070	831,921	1,053,134	255,196
Short-term loans and financing	670,707	869,963	1,044,226	1,038,113
Other liabilities	909,800	748,179	1,470,037	1,953,207
Provisions	589,264	1,299,249	1,314,912	1,356,238
Long-term liabilities	6,995,504	9,234,611	8,858,586	9,078,492
Long-term loans and financing	3,993,198	3,572,606	3,320,860	3,192,912
Other liabilities	1,377,469	1,839,173	1,891,249	2,110,725
Deferred securities	9,346	8,885	11,216	11,144
Provisions	1,615,491	3,813,947	3,635,261	3,763,711
Shareholders' Equity	6,275,757	9,905,637	11,336,839	11,430,211
Capital Stock	3,470,758	3,731,059	3,731,059	3,731,059
Capital Reserves	1,490,375	5,869,560	5,869,560	5,869,560
Profit Reserves	1,359,538	304,504	1,735,869	1,735,869
Accumulated profit / losses	(39,258)	-	-	93,389
Minorities Interest	(5,656)	514	351	334
Total Liabilities and Shareholders' Equity	18,333,039	24,563,920	26,886,114	26,810,855



Source: Company and CVM



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SECTION 4

General Assumptions of the Valuation Analysis

General Assumptions of the Valuation Analysis

Macroeconomic Assumptions

The macroeconomic assumptions below are estimates from Banco Central's Focus report dated July 16th, 2011, unless otherwise indicated

Macroeconomic Assumptions	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
<i>Source: Banco Central's Focus report dated July 16th, 2011</i>										
GDP Growth rate (real terms)	3.96%	4.16%	4.50%	4.52%	4.44%	4.44%	4.44%	4.44%	4.44%	4.44%
IPCA	6.30%	5.17%	4.68%	4.63%	4.61%	4.61%	4.61%	4.61%	4.61%	4.61%
IGPM	5.95%	5.10%	4.69%	4.64%	4.58%	4.58%	4.58%	4.58%	4.58%	4.58%
FX rate R\$/US\$ - average	1.60	1.66	1.73	1.79	1.82	1.85	1.89	1.93	1.97	2.01
FX rate R\$/US\$ - end of period	1.60	1.68	1.75	1.80	1.83	1.87	1.91	1.95	1.99	2.03
Average Selic rate	12.2%	12.6%	11.3%	10.6%	10.2%	10.2%	10.2%	10.2%	10.2%	10.2%
<i>Source: Economist Intelligence Unit dated July 16th, 2011</i>										
US CPI	2.70%	2.10%	2.30%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Population (million inhabitants) ⁽¹⁾	195	197	198	199	201	202	204	205	206	207
R1	107	108	109	109	110	111	112	112	113	114
R2	46	46	47	47	47	48	48	48	49	49
R3	42	42	43	43	43	44	44	44	44	45

Given that the Focus Reports only provides estimates for 2011-2015, from 2016 onwards estimates were kept constant, except for the exchange rate which has been adjusted to reflect the maintenance of purchasing power parity between U.S. and Brazil currencies



Note:
 (1) Company's projections



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SECTION 5

TNL Valuation





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SECTION 5.A

TNL Valuation

Discounted Cash Flow

Valuation

Discounted Cash Flow

TNL has no operations and relies on cash flows from TMAR. As a result the valuation of TNL is based on TNL's proportional ownership of TMAR's discounted cash flows (see page 52- TMAR Valuation) and discounting TNL's general and administrative expenses

Economic Value (Discounted Cash Flow)

(R\$ millions, except price per share)

TMAR Equity Value - Proportional	18,664
(-) NPV of holding expenses	(107)
(-) Net Debt - Mar/2011	(1,238)
Proprietary Equity Value (R\$ mm)	17,319.6
# of shares	467
Value per share (R\$)	37.0

Valuation Parameters

(R\$ millions, except price per share)

WACC	9.9%
Perpetuity Growth	2.5%
NPV of holding expenses	(107)
TNL stake in TMAR	70.4%

Holding Company Expenses (calculation details)

	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Holding Expenses (R\$ mm)	(30.7)	(32.3)	(33.8)	(35.4)	(37.0)	(38.7)	(40.5)	(42.3)	(44.3)	(44.6)
(+) Tax shield from holding expenses (R\$mm)	10.4	11.0	11.5	12.0	12.6	13.2	13.8	14.4	15.1	15.2
FX rate	1.6	1.7	1.7	1.8	1.8	1.8	1.9	1.9	2.0	2.0
(=) Holding Expenses after-tax (US\$ mm)	(12.7)	(12.8)	(12.9)	(13.0)	(13.4)	(13.8)	(14.2)	(14.5)	(14.9)	(14.7)
Discount Factor	1.0	0.9	0.8	0.7	0.7	0.6	0.5	0.5	0.4	0.4
Discounted Cash Flow in US\$ mm	(12.1)	(11.2)	(10.2)	(9.4)	(8.8)	(8.2)	(7.7)	(7.2)	(6.7)	(6.0)



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SECTION 5.B

TNL Valuation

Book Value of Shareholders' Equity



Book Value of Shareholders' Equity

TNL price per share is R\$28.87, based on the Book Value of Shareholders' Equity, excluding minority interests

Book Value of Shareholders' Equity - TNL

As of March 31st, 2011
 (R\$ million, except otherwise indicated)

Total Assets	79,384
(-) Total liabilities	53,871
(-) Minority interest	12,017
= Shareholders' Equity	13,496
Number of shares (million)	467

R\$/share 28.87



Source: CVM and Company.
 Note:
 1 Excludes treasury shares



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SECTION 5.C

TNL Valuation

Volume Weighted Average Price



Volume Weighted Average Price

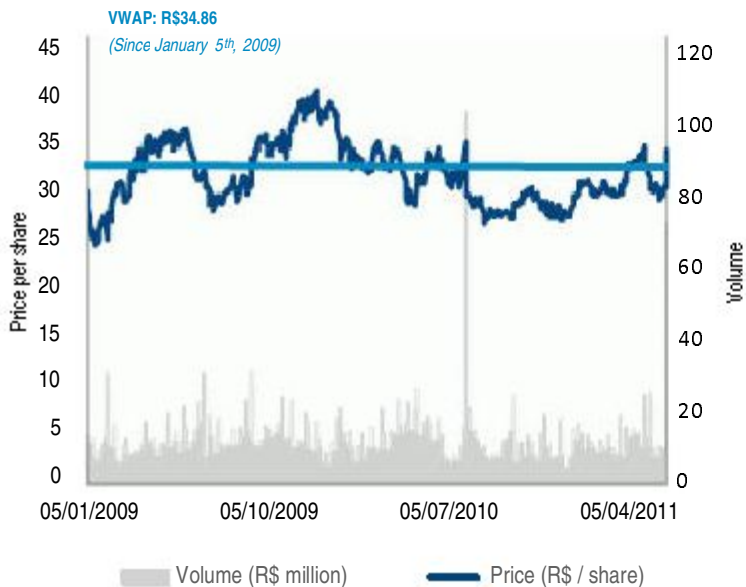
Price evolution of TNL shares traded on the BOVESPA

(Price in R\$ per share and volume in R\$ million)

ON Shares (TNLP3)

VWAP (period before 05-23-2011):

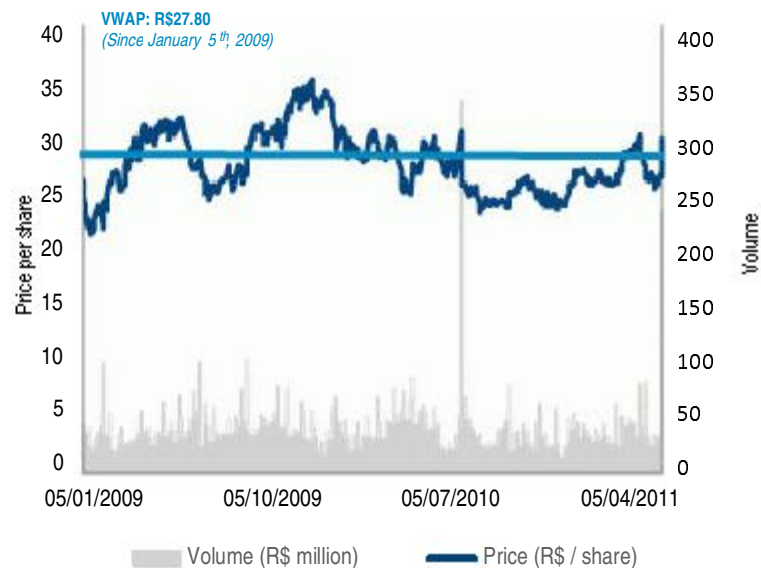
12-month:	R\$34.06
6-month:	R\$34.08
3-month:	R\$34.60
2-month:	R\$35.08
1-month:	R\$32.91



PN Shares (TNLP4)

VWAP (period before 05-23-2011):

12-month:	R\$25.57
6-month:	R\$25.81
3-month:	R\$26.69
2-month:	R\$27.14
1-month:	R\$26.45



Source: CVM and Economática, as of July 7th, 2011.
 Note: number of shares excludes treasury shares.



Volume Weighted Average Price

Price evolution of TNL shares traded on the BOVESPA

(Price in R\$ per share and volume in R\$ million)

	<u>ON Shares</u>	<u>PN Shares</u>	<u>Shares Total</u>
12-month period prior to May 23rd, 2011 (inclusive)			
VWAP	34.06	25.57	28.91
Number of Shares (million)	184.0	283.5	467.5
Market Capitalization (R\$ million)	6,267.7	7,247.9	13,515.6
6-month period prior to May 23rd, 2011 (inclusive)			
VWAP	34.08	25.81	29.07
Number of Shares (million)	184.0	283.5	467.5
Market Capitalization (R\$ million)	6,270.5	7,316.8	13,587.2
3-month period prior to May 23rd, 2011 (inclusive)			
VWAP	34.60	26.69	29.81
Number of Shares (million)	184.0	283.5	467.5
Market Capitalization (R\$ million)	6,367.5	7,566.9	13,934.4
2-month period prior to May 23rd, 2011 (inclusive)			
VWAP	35.08	27.14	30.27
Number of Shares (million)	184.0	283.5	467.5
Market Capitalization (R\$ million)	6,455.7	7,692.4	14,148.1
1-month period prior to May 23rd, 2011 (inclusive)			
VWAP	32.91	26.45	28.99
Number of Shares (million)	184.0	283.5	467.5
Market Capitalization (R\$ million)	6,055.8	7,496.9	13,552.7

Source: Economática,as of July 7th, 2011.

Note:

(1) Number of shares excludes treasury shares.

(2) Weighted average price for the value of common and preferred shares, calculated by dividing total value traded by number of traded shares.





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SECTION 6

TMAR Valuation





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SECTION 6.A

TMAR Valuation

Discounted Cash Flow

General Considerations on the Valuation

BTG Pactual evaluated TMAR based on the discounted cash flow to firm ("FCFF") methodology

Valuation Methodology

- Unlevered cash flow method
 - Projection of unlevered cash flows
 - Cash flows are discounted by company's weighted average cost of capital (WACC), when calculating its present value

Information Sources

- BTG Pactual used, for the purposes of the valuation, the operating and financial projections provided and / or discussed with TMAR's management team, in R\$ nominal terms

Currency

- Projection in R\$, in nominal terms
- The unlevered cash flow is converted yearly into US\$ before it is discounted

Discounted cash flow

- Reference date: December 31st, 2010; cash flows are discounted to present value as of December 31st, 2010
- Projections horizon: 2011 to 2020
- Assumes cash flows are generated over the year ("mid-year convention")
- Discounted cash flows are in US\$, in nominal terms





Main Assumptions

BTG Pactual considered, for purposes of the valuation analysis, operating and financial estimates supplied and/or discussed with Oi's management team

Macroeconomic	<ul style="list-style-type: none"> ▪ Banco Central's Focus report dated July 16th, 2011 and Economist Intelligence Unit dated July 16th, 2011
Revenue growth	<ul style="list-style-type: none"> ▪ Growth in 2011 based on projected volume growth from current customers and attracting new customers and services that are in the company's commercial pipeline ▪ Revenues between 2012 and 2020 were estimated based on expected market growth for each business, with emphasis on the growth of mobile and broadband and decrease in number of fixed lines
Operating costs and expenses⁽¹⁾	<ul style="list-style-type: none"> ▪ Estimate of slightly lower EBITDA margin in 2011 and 2012, mainly due to greater reduction of revenues from fixed telephony compared to the increase in revenues from the mobile segment ▪ From 2012 onwards, an improvement on margin is expected due to initiatives to gain customers in mobile and broadband segments
Capex	<ul style="list-style-type: none"> ▪ Capex projections based on historical investment as percentage of net revenue ▪ In 2011 and 2012, additional capex expected to be directed to the technology platform needed to reach a greater number of customers in the segment of mobile telephony and broadband
Working capital	<ul style="list-style-type: none"> ▪ Based on historical days receivable and payable
Terminal value	<ul style="list-style-type: none"> ▪ Gordon perpetuity growth model⁽²⁾, in 2020 ▪ Assumes perpetuity growth rate ranges from 1.5% to 3.5% in US\$ nominal terms
Discount rate	<ul style="list-style-type: none"> ▪ Calculated based on: (i) average de-levered beta of Telecom companies in Brazil, (ii) target capital structure based on sector's average leverage levels, (iii) country risk and (iv) equity market risk premium⁽³⁾



Note:

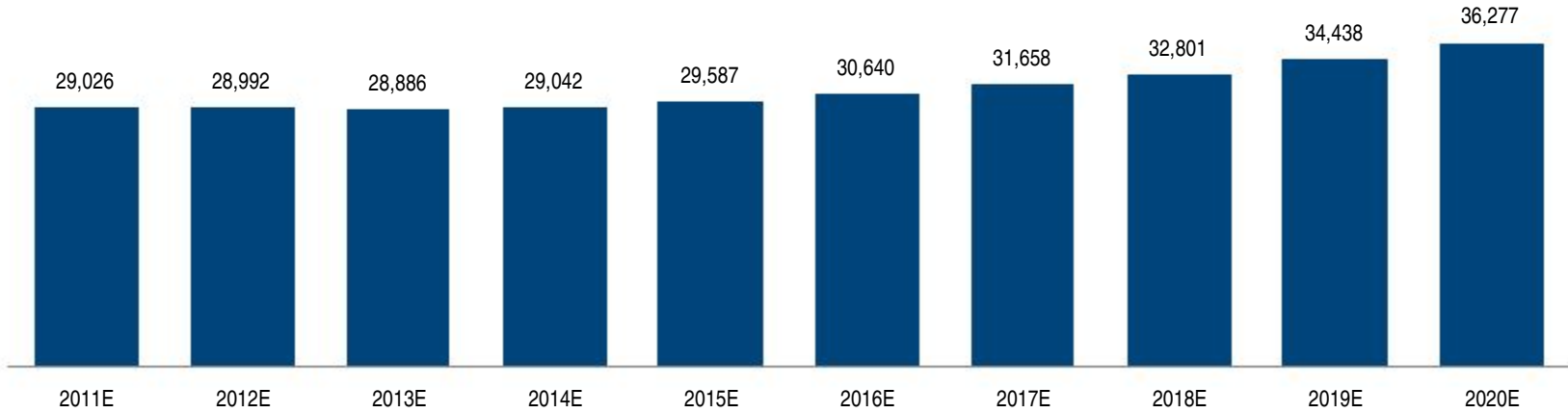
- 1 Costs herein contemplated were projected without considering depreciation and amortization expenses.
- 2 Estimated based on the free cash flow of the last projection year, increased by the growth expectancy, using the Constant Growth Model or Gordon Model as per the equation demonstrated in Appendix E.
- 3 Long-term equity market risk premium estimated on historical basis. Source: 2010 Ibbotson report.

Operating and Financial Summary Projections

Net Revenues and Consolidated Clients Base⁽¹⁾

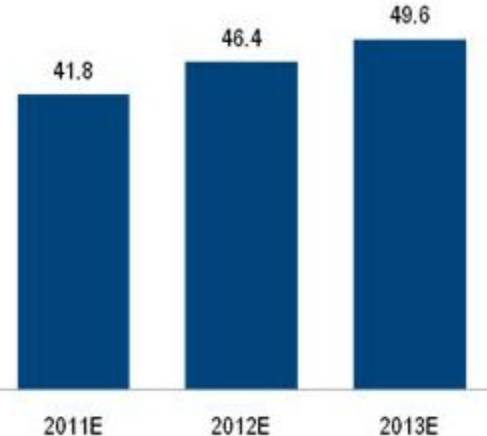
Net Revenue (R\$ million)

CAGR (2011E-2020E): 2.51%

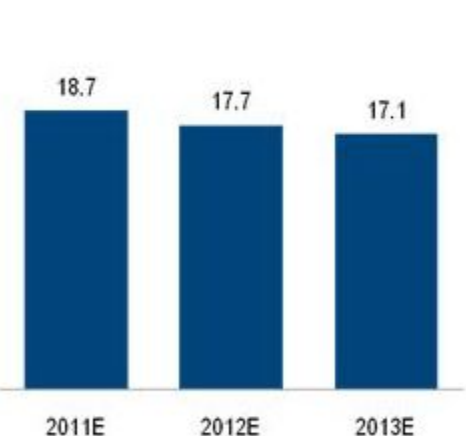


Client Base (Million)

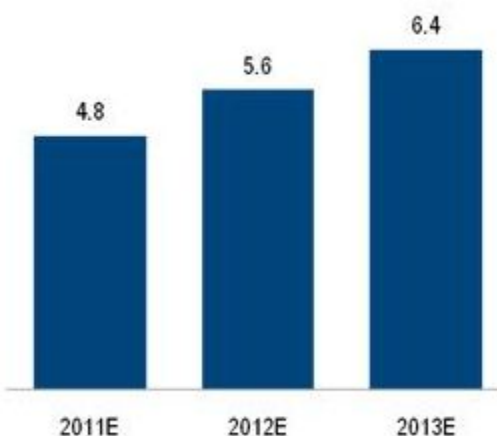
Mobile Users



Lines in Service



Broadband Users



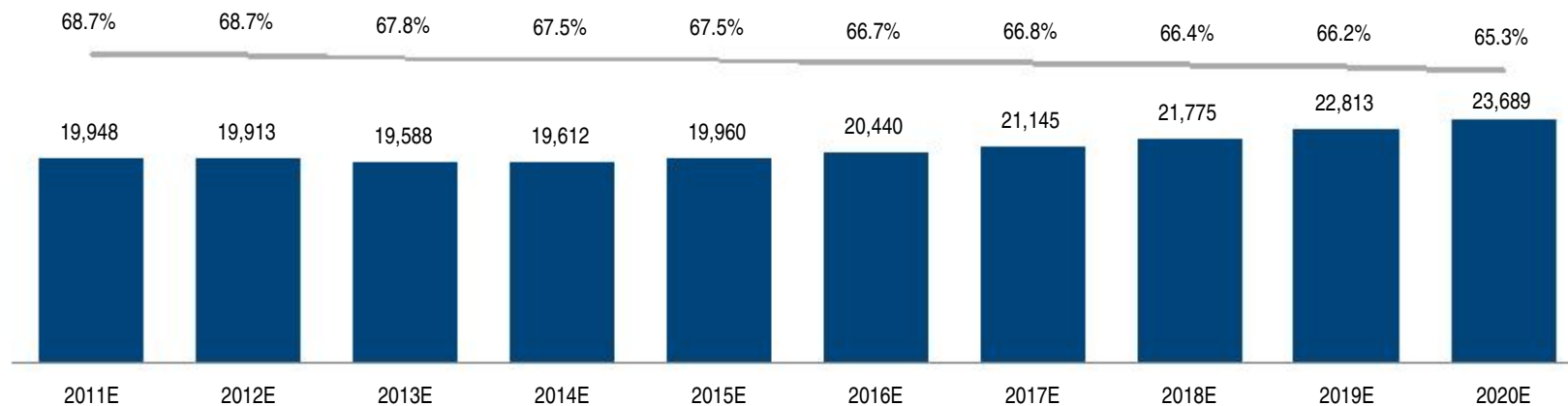
Note:
 1) Consolidated 100% of Brasil Telecom users and includes regions 1, 2 and 3.

Operating and Financial Summary Projections

Operating Expenses and EBITDA

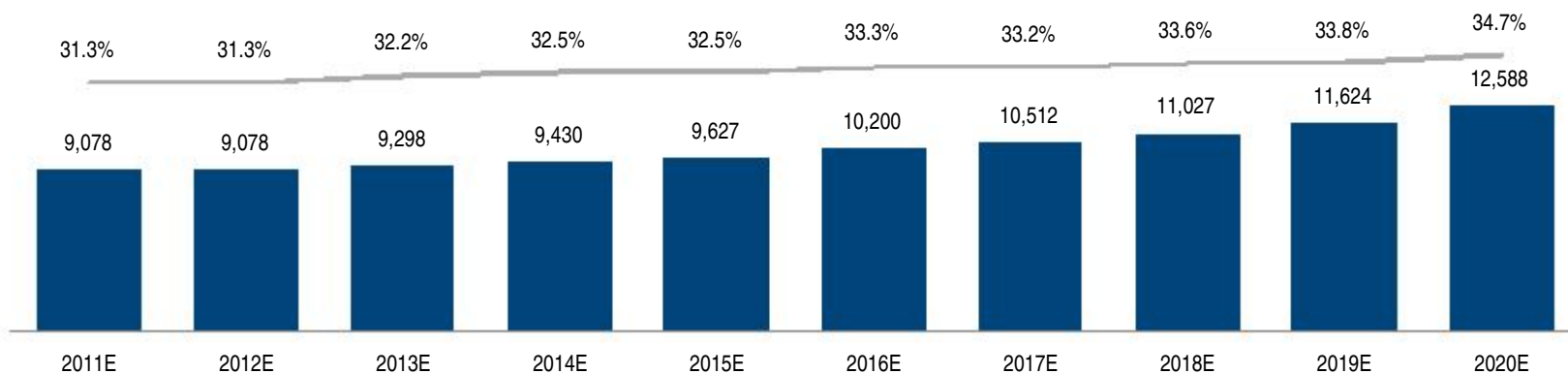
Operating Expenses (R\$ million) and % of Net Revenues

CAGR (2011E-2020E): 2.0%



EBITDA (R\$ million) and EBITDA Margin

CAGR (2011E-2020E): 3.56%

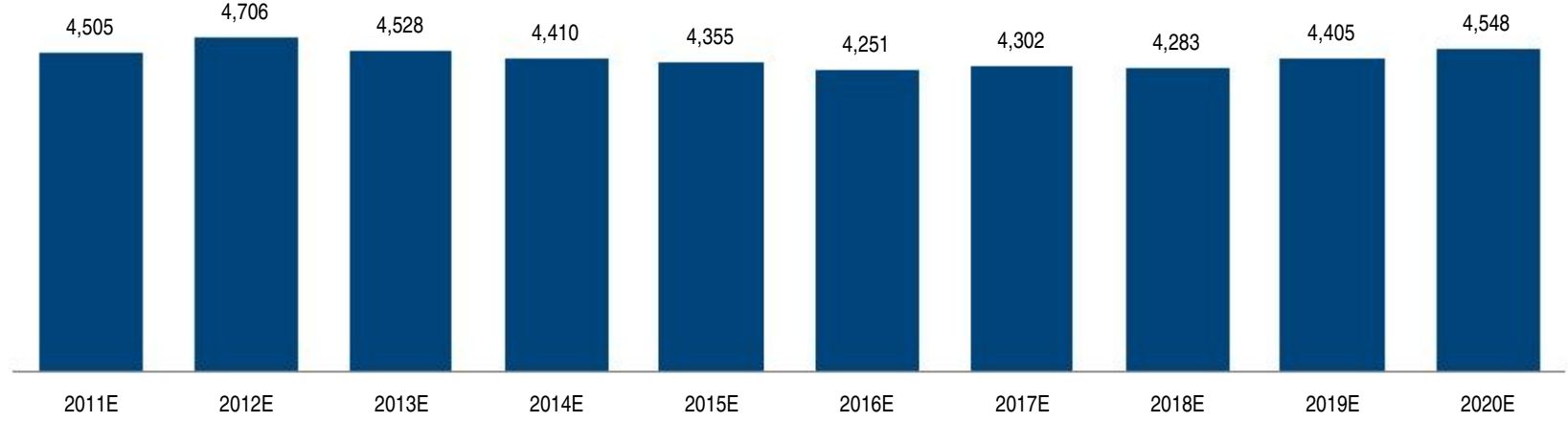


Operating and Financial Summary Projections

Capex and Depreciation

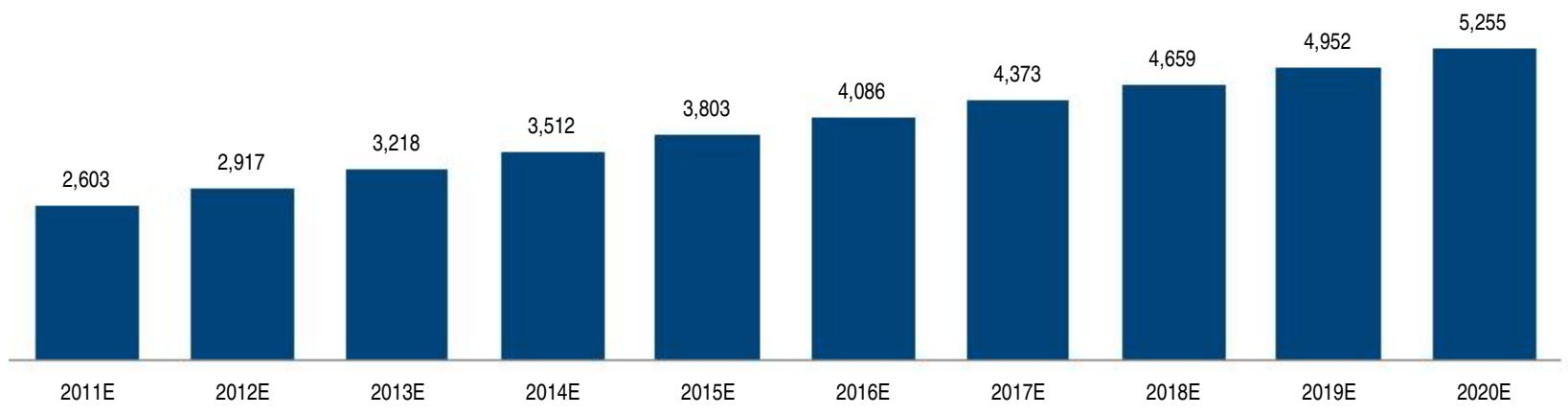
Capex (R\$ million)

CAGR (2011E-2020E): 0.45%



Depreciation and Amortization (R\$ million)

CAGR (2011E-2020E): 8.17%





Valuation

Discounted Cash Flow

Free Cash Flow to Firm (R\$ million, except otherwise indicated)

	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Operational Profit (EBIT)	6,475	6,162	6,079	5,918	5,825	6,114	6,139	6,368	6,672	7,332
(-) Taxes	(2,202)	(2,095)	(2,067)	(2,012)	(1,980)	(2,079)	(2,087)	(2,165)	(2,269)	(2,493)
Net Operating Profit After Taxes (NOPAT)	4,274	4,067	4,012	3,906	3,844	4,035	4,052	4,203	4,404	4,839
(+) Depreciation / Amortisation	2,603	2,917	3,218	3,512	3,803	4,086	4,373	4,659	4,952	5,255
(-) Change in Working Capital	250	(1)	(50)	(26)	(32)	(103)	(47)	(88)	(96)	(171)
(-) Capex	(4,505)	(4,706)	(4,528)	(4,410)	(4,355)	(4,251)	(4,302)	(4,283)	(4,405)	(4,548)
Free Cash Flow to Firm (R\$ mm)	2,621	2,277	2,653	2,982	3,260	3,767	4,076	4,490	4,855	5,375
Free Cash Flow to Firm (US\$ mm)	1,638	1,371	1,533	1,666	1,791	2,038	2,160	2,332	2,470	2,680

Economic Value based on the Discounted Cash Flow to Firm Methodology

The economic value of TMAR shares calculated based on the discounted cash flow methodology, assuming a WACC of 9.86% and perpetuity growth of 2.5% in US\$ and nominal terms is R\$77.06 per share

NPV of Free Cash Flow to Firm (US\$mm)	27,359
NPV of Free Cash Flow to Firm (R\$mm)	43,774
BRT Enterprise Value	9,757
(-) BRT Minorities	(4,949)
TMAR Enterprise Value ex-BRT minorities	38,826
(-) Net Debt - Mar/2011	(13,958)
(+) BRT minorities Net Cash - Mar/2011	659
(+) NPV of Accumulated Losses	374
(+) NPV of Fiscal benefit from BRT acquisition goodwill	611
Equity Value (R\$ mm)	26,511.9
# of shares	344
Value per share (R\$)	77.06

		WACC				
		9.0%	9.5%	10.0%	10.5%	11.0%
Perpetuity Growth	1.5%	82.05	74.12	67.14	60.95	55.43
	2.0%	87.09	78.36	70.74	64.03	58.08
	2.5%	92.90	83.21	74.82	67.50	61.05
	3.0%	99.69	88.81	79.49	71.43	64.38
	3.5%	107.71	95.33	84.87	75.91	68.16



Source: Company, financial statements as of 03/31/2011 and BTG Pactual



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SECTION 6.B

TMAR Valuation

Book Value of Shareholders' Equity



Book Value of Shareholders' Equity

TMAR price per share is R\$59.35, based on the Book Value of Shareholders' Equity, excluding minority interest

Book Value of Shareholders' Equity - TMAR

As of March 31st, 2011
 (R\$ million, except otherwise indicated)

Total Assets	78,361
(-) Total liabilities	51,966
(-) Minority interest	5,976
= Shareholders' Equity	20,419
Number of shares (million) ⁽¹⁾	344
R\$/share	59.35



Source: CVM and Company.
 Note:
 1 Excludes treasury shares



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SECTION 6.C

TMAR Valuation

Volume Weighted Average Price



Volume Weighted Average Price

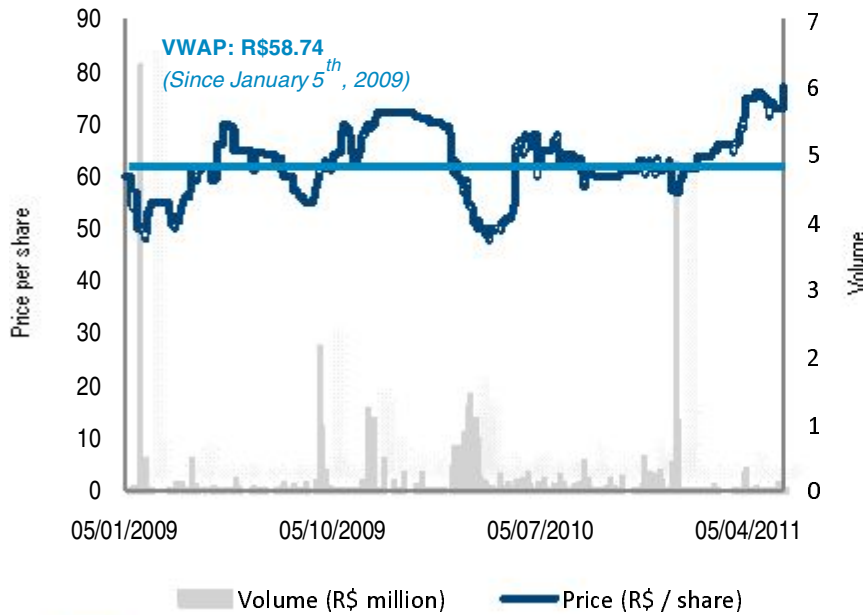
Price evolution of TMAR shares traded on the BOVESPA

(Price in R\$ per share and volume in R\$ million)

ON Shares (TMAR3)

VWAP (period before 05-23-2011):

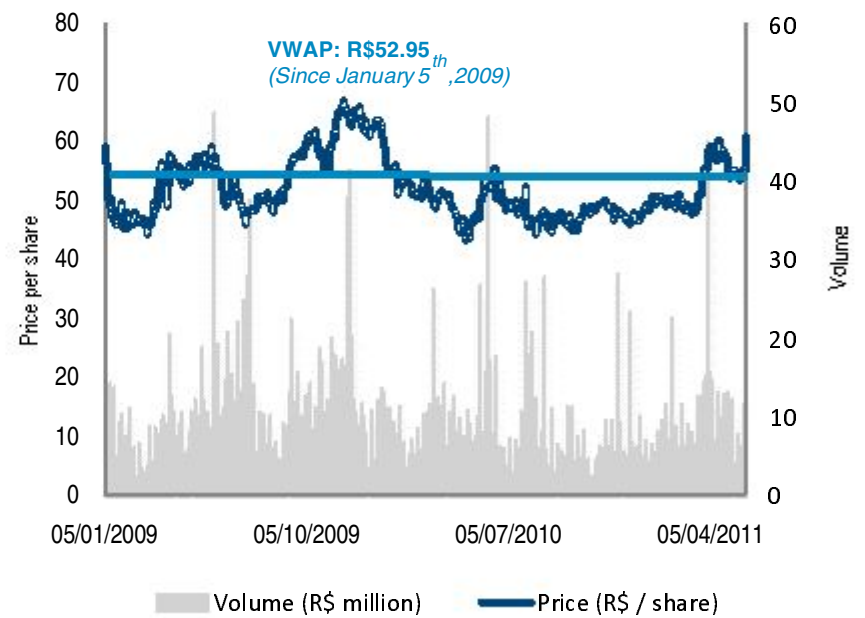
12-month:	R\$58.64
6-month:	R\$58.20
3-month:	R\$70.35
2-month:	R\$70.59
1-month:	R\$72.80



PN Shares (TMAR5)

VWAP (period before 05-23-2011):

12-month:	R\$48.86
6-month:	R\$50.75
3-month:	R\$53.74
2-month:	R\$55.83
1-month:	R\$54.97



Source: CVM and Economática, as of July 7th, 2011.
 Note: number of shares excludes treasury shares.



Volume Weighted Average Price

Price evolution of TMAR shares traded on the BOVESPA

	<u>ON Shares</u>	<u>PN Shares</u>	<u>Shares Total</u>
12-month period prior to May 23rd, 2011 (inclusive)			
VWAP	58.64	48.86	53.25
Number of Shares (million)	154.0	189.0	343.0
Market Capitalization (R\$ million)	9,032.6	9,232.9	18,265.5
6-month period prior to May 23rd, 2011 (inclusive)			
VWAP	58.20	50.75	54.10
Number of Shares (million)	154.0	189.0	343.0
Market Capitalization (R\$ million)	8,964.9	9,589.6	18,554.5
3-month period prior to May 23rd, 2011 (inclusive)			
VWAP	70.35	53.74	61.20
Number of Shares (million)	154.0	189.0	343.0
Market Capitalization (R\$ million)	10,835.5	10,155.4	20,991.0
2-month period prior to May 23rd, 2011 (inclusive)			
VWAP	70.59	55.83	62.46
Number of Shares (million)	154.0	189.0	343.0
Market Capitalization (R\$ million)	10,873.6	10,550.5	21,424.1
1-month period prior to May 23rd, 2011 (inclusive)			
VWAP	72.80	54.97	62.98
Number of Shares (million)	154.0	189.0	343.0
Market Capitalization (R\$ million)	11,214.0	10,387.3	21,601.4

Source: Economática, as of July 7th, 2011.

Note:

(1) Number of shares excludes treasury shares.

(2) Weighted average price for the value of common and preferred shares, calculated by dividing total value traded by number of traded shares.





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SECTION 7

BRT Valuation





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SECTION 7.A

BRT Valuation

Discounted Cash Flow

General Considerations on the Valuation

BTG Pactual evaluated BRT based on the discounted cash flow to firm ("FCFF") methodology

Valuation Methodology

- Unlevered cash flow method
 - Projection of unlevered cash flows
 - Cash flows are discounted by company's weighted average cost of capital (WACC), when calculating its present value

Information Sources

- BTG Pactual used, for the purposes of the valuation, the operating and financial projections provided and / or discussed with BRT's management team, in R\$ nominal terms

Currency

- Projection in R\$, in nominal terms
- The unlevered cash flow is converted yearly into US\$ before it is discounted

Discounted cash flow

- Reference date: December 31st, 2010; cash flows are discounted to present value to December 31st, 2010
- Projections horizon: 2011 to 2020
- Assumes cash flows are generated over the year ("mid-year convention")
- Discounted cash flows are in US\$, in nominal terms





Main Assumptions

BTG Pactual considered, for purposes of the valuation analysis, operating and financial estimates supplied and/or discussed with Oi's management team

Macroeconomic	<ul style="list-style-type: none"> ▪ Banco Central's Focus report dated July 16th, 2011 and Economist Intelligence Unit dated July 16th, 2011
Revenue growth	<ul style="list-style-type: none"> ▪ Growth in 2011 based on projected volume growth from current customers and attracting new customers and services that are in the company's commercial pipeline ▪ Revenues between 2012 and 2020 were estimated based on expected market growth for each business, with emphasis on the growth of mobile and broadband and decrease in number of fixed lines
Operating costs and expenses⁽¹⁾	<ul style="list-style-type: none"> ▪ Estimate of slightly lower EBITDA margin in 2011 and 2012, mainly due to greater reduction of revenues from fixed telephony compared to the increase in revenues from the mobile segment ▪ From 2015 onwards, an improvement on margin is expected due to initiatives to gain customers in mobile and broadband segments
Capex	<ul style="list-style-type: none"> ▪ Capex projections based on historical investment as percentage of net revenue ▪ In 2012 and 2013, additional capex directed to the technology platform needed to reach a greater number of customers in the segment of mobile telephony and broadband
Working capital	<ul style="list-style-type: none"> ▪ Based on historical days receivable and payable
Terminal value	<ul style="list-style-type: none"> ▪ Gordon perpetuity growth model⁽²⁾, in 2020 ▪ Assumes perpetuity growth rate ranges from 1.5% to 3.5% in US\$ nominal terms
Discount rate	<ul style="list-style-type: none"> ▪ Calculated based on: (i) Telecom companies average de-levered beta, (ii) target capital structure based on sector's average leverage levels , (iii) country risk and (iv) equity market risk premium⁽³⁾



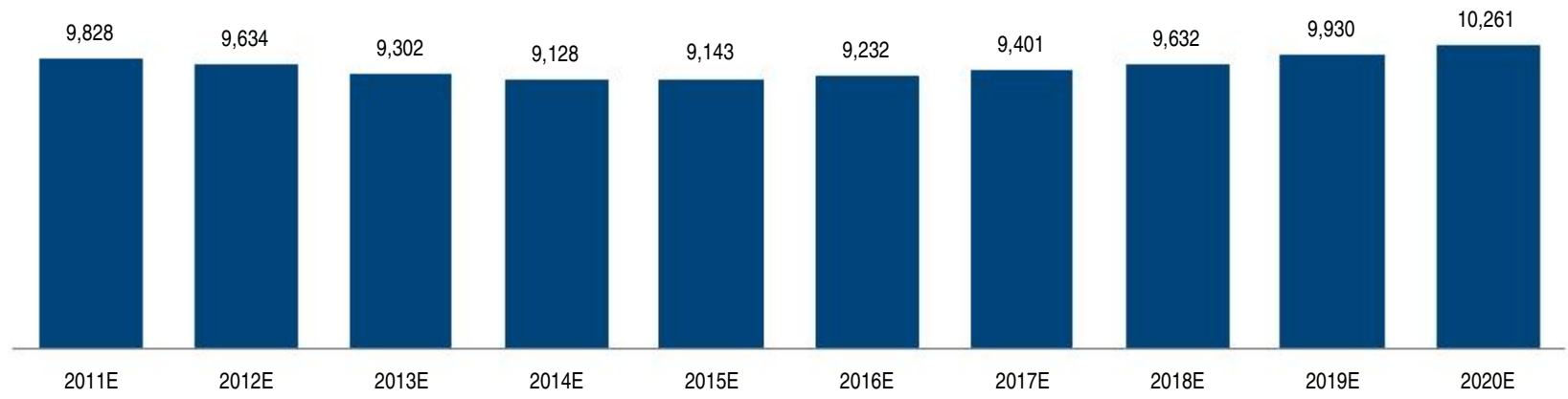
Note:
 1 Costs herein contemplated were projected without considering depreciation and amortization expenses.
 2 Estimated based on the free cash flow of the last projection year, increased by the growth expectancy, using the Constant Growth Model or Gordon Model as per the equation demonstrated in Appendix E.
 3 Long-term equity market risk premium estimated on historical basis. Source: 2010 Ibbotson report.

Operating and Financial Summary Projections

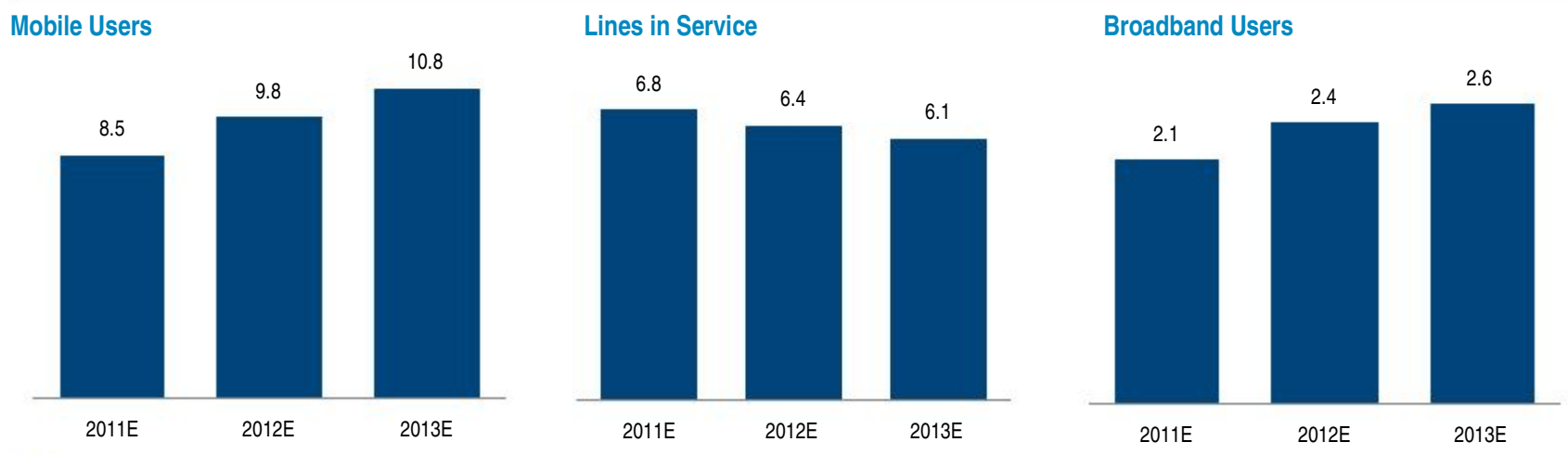
Net Revenues and Consolidated Clients Base

Net Revenue (R\$ million)

CAGR (2011E-2020E): 0.48%



Client Base (Million)

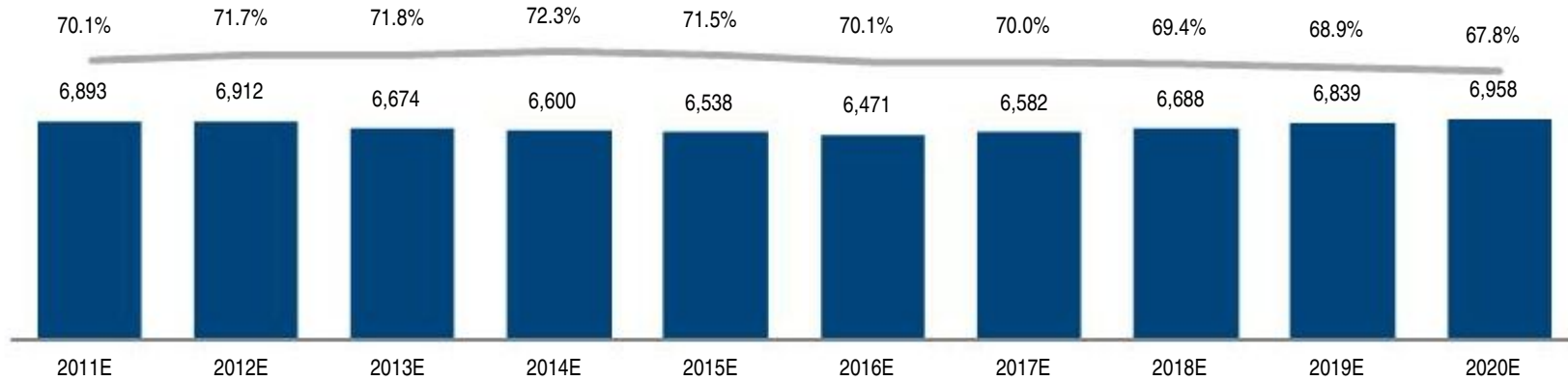


Operating and Financial Summary Projections

Operating Expenses and EBITDA

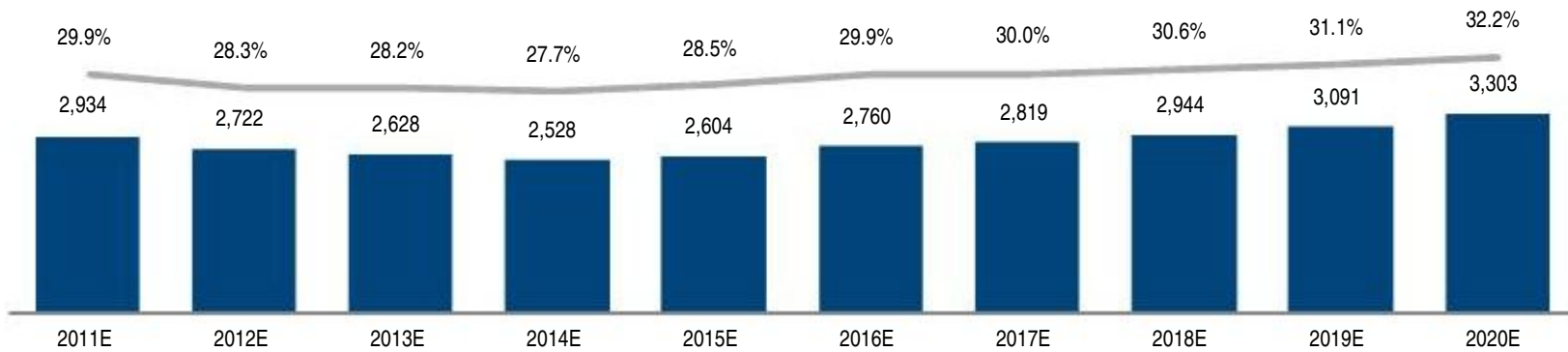
Operating Expenses (R\$ million) and % of Net Revenues

CAGR (2011E-2020E): 0.10%



EBITDA (R\$ million) and EBITDA Margin

CAGR (2011E-2020E): 1.32%

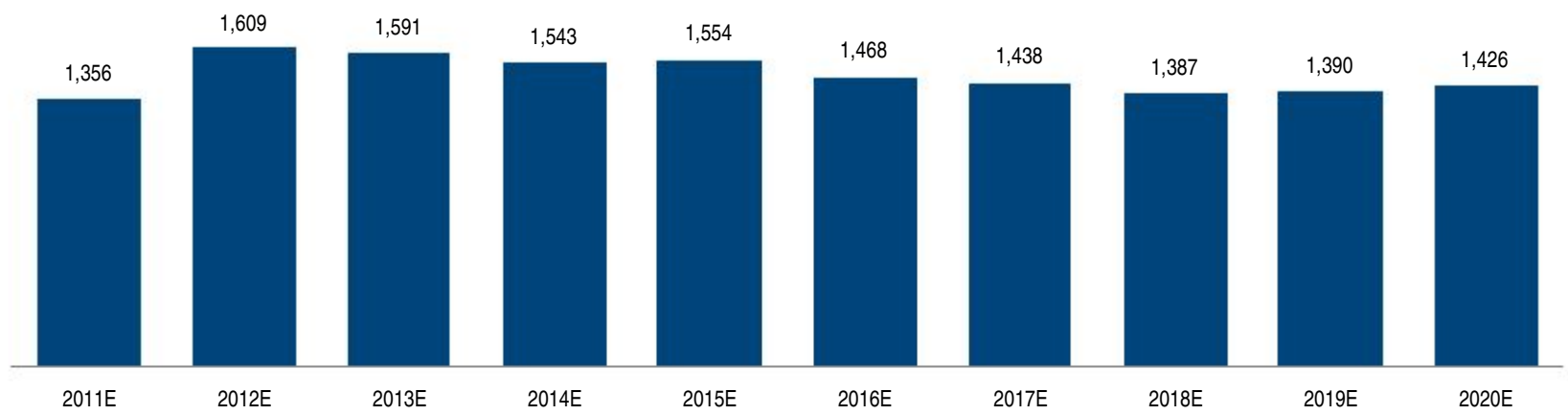


Operating and Financial Summary Projections

Capex and Depreciation

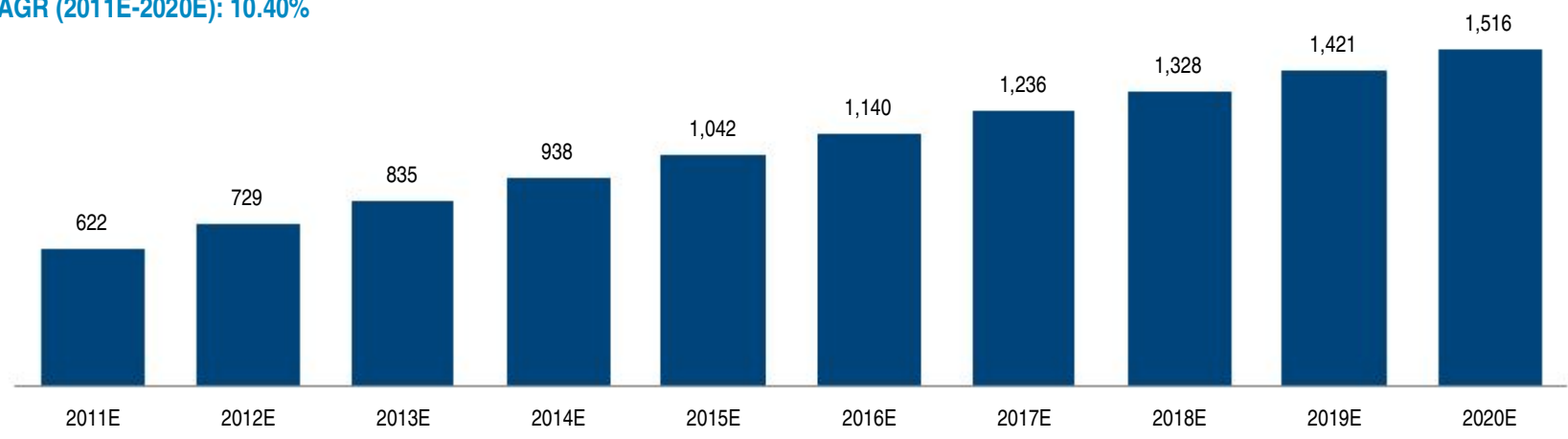
Capex (R\$ million)

CAGR (2011E-2020E): 0.56%



Depreciation and Amortization (R\$ million)

CAGR (2011E-2020E): 10.40%



Valuation

Discounted Cash Flow

Free Cash Flow to Firm (R\$ million, except otherwise indicated)

	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Operational Profit (EBIT)	2,312	1,993	1,792	1,590	1,563	1,621	1,584	1,616	1,670	1,787
(-) Taxes	(786)	(678)	(609)	(540)	(531)	(551)	(538)	(550)	(568)	(608)
Net Operating Profit After Taxes (NOPAT)	1,526	1,315	1,183	1,049	1,031	1,070	1,045	1,067	1,102	1,179
(+) Depreciation / Amortisation	622	729	835	938	1,042	1,140	1,236	1,328	1,421	1,516
(-) Change in Working Capital	130	44	3	15	(20)	(36)	(4)	(18)	(20)	(35)
(-) Capex	(1,356)	(1,609)	(1,591)	(1,543)	(1,554)	(1,468)	(1,438)	(1,387)	(1,390)	(1,426)
Free Cash Flow to Firm (R\$ mm)	922	480	431	460	499	706	838	990	1,113	1,234
Free Cash Flow to Firm (US\$ mm)	576	289	249	257	274	382	444	514	567	615

Economic Value based on the Discounted Cash Flow to Firm Methodology

The economic value of BRT shares calculated based on the discounted cash flow methodology, assuming a WACC of 9.86% and perpetuity growth of 2.5% in US\$ and nominal terms is R\$18.30 per share, already adjusted for the distribution of redeemable shares of BRT in the amount of R\$2.5433 per share

NPV of FCFF - projected period (US\$ mm)	2,591
NPV of FCFF - perpetuity (US\$ mm)	3,507
NPV of Free Cash Flow to Firm (US\$mm)	6,098
NPV of Free Cash Flow to Firm (R\$mm)	9,757
(+) Net Cash - Mar/2011	1,299
(+) NPV of Fiscal benefit from BRT acquisition goodwill	1,239
Equity Value (R\$ mm)	12,295.2
# of shares	590
Value per share (R\$)	20.85
Value per share after redeemable shares (R\$)	18.30

Perpetuity Growth	WACC				
	9.0%	9.5%	10.0%	10.5%	11.0%
1.5%	19.09	17.87	16.80	15.84	14.99
2.0%	19.85	18.51	17.34	16.31	15.39
2.5%	20.73	19.25	17.96	16.84	15.84
3.0%	21.76	20.10	18.67	17.43	16.35
3.5%	22.98	21.09	19.48	18.11	16.92

BRTO share price sensitivity adjusted for the distribution of redeemable shares



Source: Company, financial statements as of 03/31/2011 and BTG Pactual



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SECTION 7.B

BRT Valuation

Book Value of Shareholders' Equity



Book Value of Shareholders' Equity

BRT price per share is R\$19.38, based on the Book Value of Shareholders' Equity, excluding minority interest

Book Value of Shareholders' Equity - BRT

As of March 31st, 2011
 (R\$ million, except otherwise indicated)

Total Assets	26,811
(-) Total liabilities	15,381
(-) Minority interest	0
= Shareholders' Equity	11,430

Number of shares (million)⁽¹⁾ 590

R\$/share 19.38



Source: CVM and Company.

Note:

1 Excludes treasury shares



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SECTION 7.C

BRT Valuation

Volume Weighted Average Price



Volume Weighted Average Price

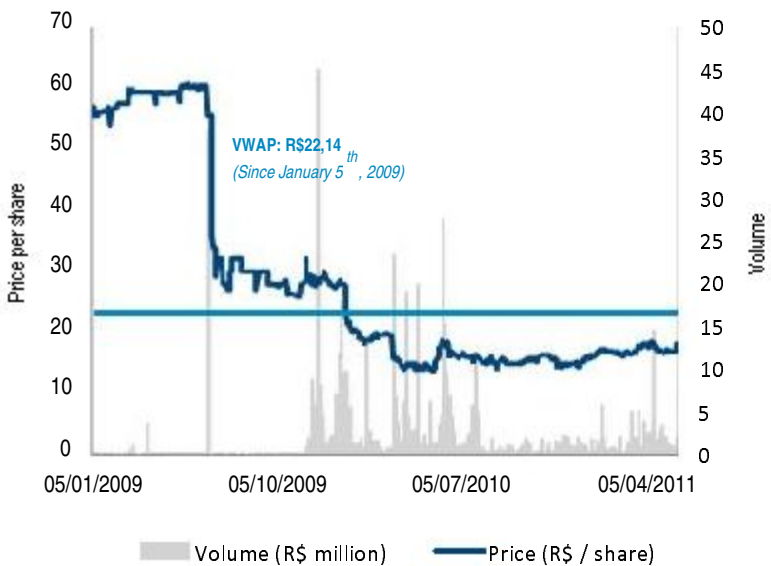
Price evolution of Brasil Telecom shares traded on the BOVESPA

(Price in R\$ per share and volume in R\$ million)

ON Shares (BRT03)

VWAP (period before 05-23-2011):

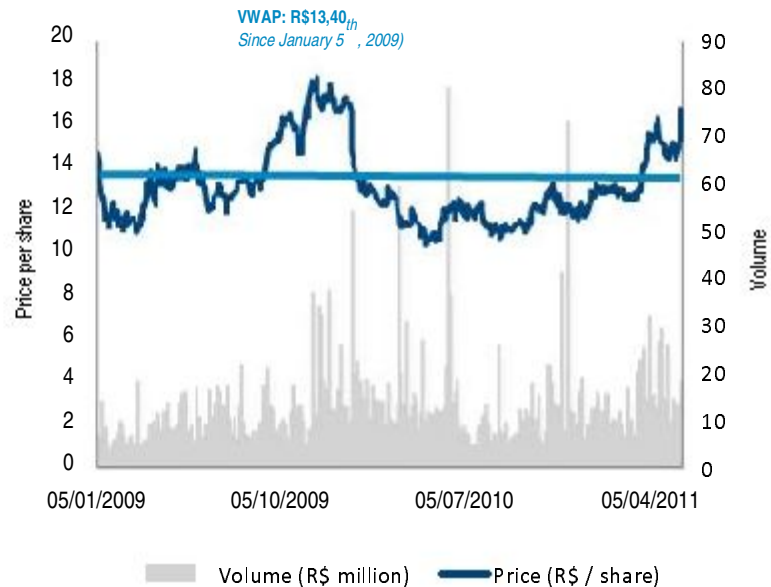
12-month:	R\$15.67
6-month:	R\$15.99
3-month:	R\$17.00
2-month:	R\$17.25
1-month:	R\$16.78



PN Shares (BRT04)

VWAP (period before 05-23-2011):

12-month:	R\$12.10
6-month:	R\$13.03
3-month:	R\$14.23
2-month:	R\$14.82
1-month:	R\$15.03



Source: CVM and Economática, as of July 7th, 2011.
 Note: number of shares excludes treasury shares.



Volume Weighted Average Price

Price evolution of Brasil Telecom shares traded on the BOVESPA

	<u>ON Shares</u>	<u>PN Shares</u>	<u>Shares Total</u>
12-month period prior to May 23rd, 2011 (including)			
VWAP	15.67	12.10	13.33
Number of Shares (million)	203.4	386.4	589.8
Market Capitalization (R\$ million)	3,188.0	4,676.2	7,864.1
6-month period prior to May 23rd, 2011 (including)			
VWAP	15.99	13.03	14.05
Number of Shares (million)	203.4	386.4	589.8
Market Capitalization (R\$ million)	3,253.5	5,032.9	8,286.4
3-month period prior to May 23rd, 2011 (including)			
VWAP	17.00	14.23	15.19
Number of Shares (million)	203.4	386.4	589.8
Market Capitalization (R\$ million)	3,458.3	5,498.2	8,956.5
2-month period prior to May 23rd, 2011 (including)			
VWAP	17.25	14.82	15.66
Number of Shares (million)	203.4	386.4	589.8
Market Capitalization (R\$ million)	3,509.2	5,727.2	9,236.4
1-month period prior to May 23rd, 2011 (including)			
VWAP	16.78	14.89	15.54
Number of Shares (million)	203.4	386.4	589.8
Market Capitalization (R\$ million)	3,412.8	5,751.4	9,164.2

Source: Economática, as of July 7th, 2011.

Note:

(1) Number of shares excludes treasury shares.

(2) Weighted average price for the value of common and preferred shares, calculated by dividing total value traded by number of traded shares.





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APPENDIX A

Condition Precedent to the Corporate Reorganization

Condition Precedent to the Corporate Reorganization

According to the Material Fact published on May 24, 2011, the maintenance of control of Oi exclusively by TmarPart is a condition for approval of the Reorganization, in order to comply with its legal and regulatory obligations towards the National Telecommunications Agency – ANATEL. With this purpose, we understand that mathematical adjustments will be proposed by TmarPart, with no effect to the exchange ratios analysis presented.

Exchange of non-voting shares for voting shares

- In order to comply with the legal limit for the division of share capital between common and preferred shares (i.e. a minimum of 1/3 common shares and a maximum of 2/3 preferred shares), holders of preferred shares of TNL and TMAR are expected to receive in exchange both common shares and preferred shares of Oi S.A. (BRTO).
- The number of common and preferred shares will depend on the capital structures of the companies at the time of the mergers and the final exchange ratios.
- We understand that such adjustment will be **purely mathematical** and should not affect our analysis, if made according to the proposed valuations.

Share exchange between TmarPart and its shareholders

- According to the Material Fact, “TmarPart and its direct and indirect shareholders will take the necessary actions to maintain the shareholding control and comply with such obligations, which may include the exchange of preferred shares held by TmarPart for common shares held by its direct and indirect shareholders “.



Source: Material Fact published on May 24th, 2011



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APPENDIX B

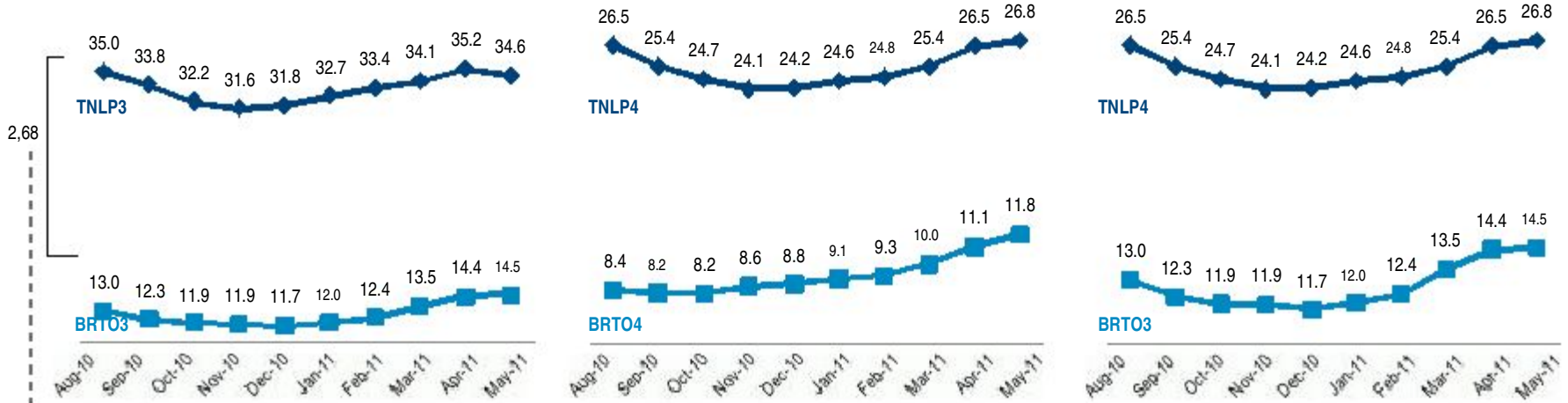
Historical Stock Prices Moving Average



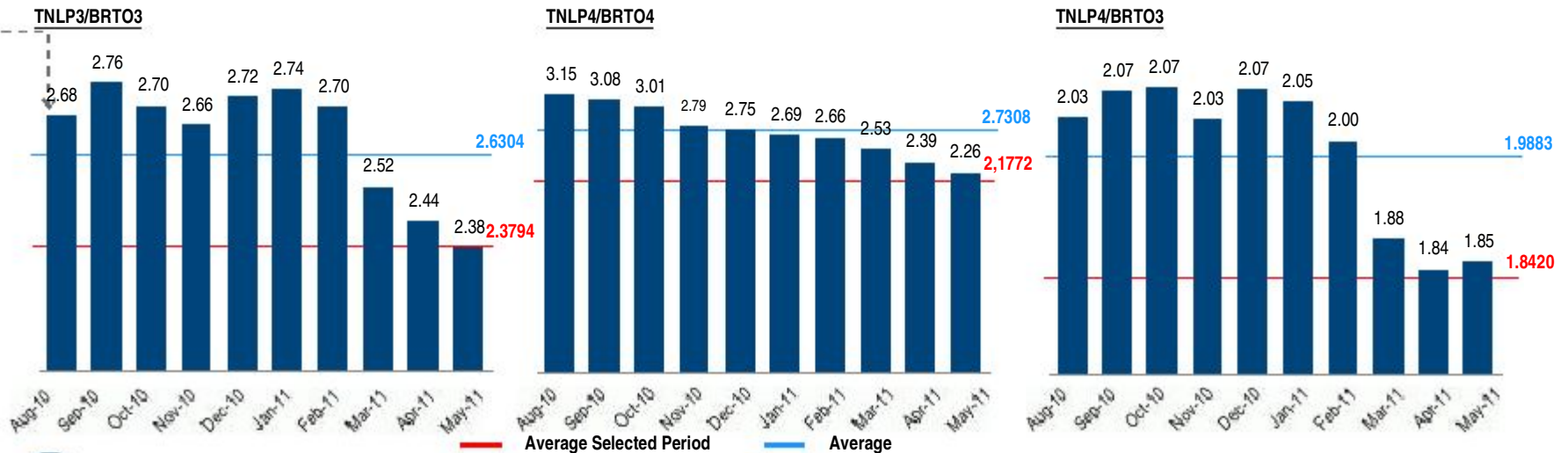


Exchange Ratios based on Moving Average

Volume Weighted Average Price (moving average of previous 3 months)



Exchange Ratios



Source: Economática. Periods ended on May 23rd, 2011

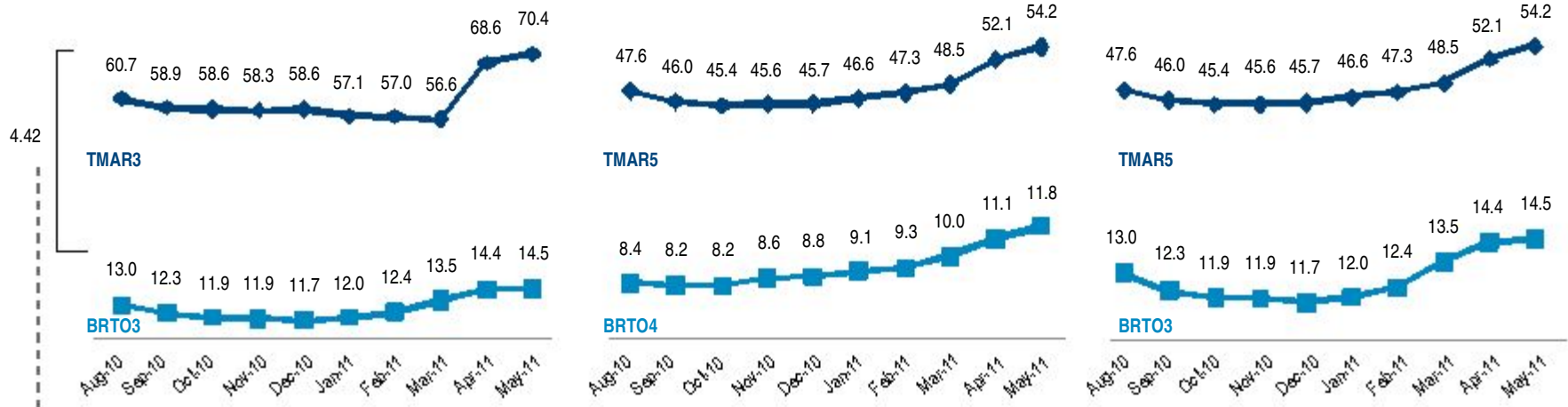
Notes:

- Moving average period refers to historical prices in the period between March 24th, 2010 until May 23rd, 2011, used to calculate the exchange ratios based on 3-month moving average
- Price of BRT shares are already adjusted for the distribution of redeemable shares of BRT in the amount of R\$2.5433 per share, for all points of the series

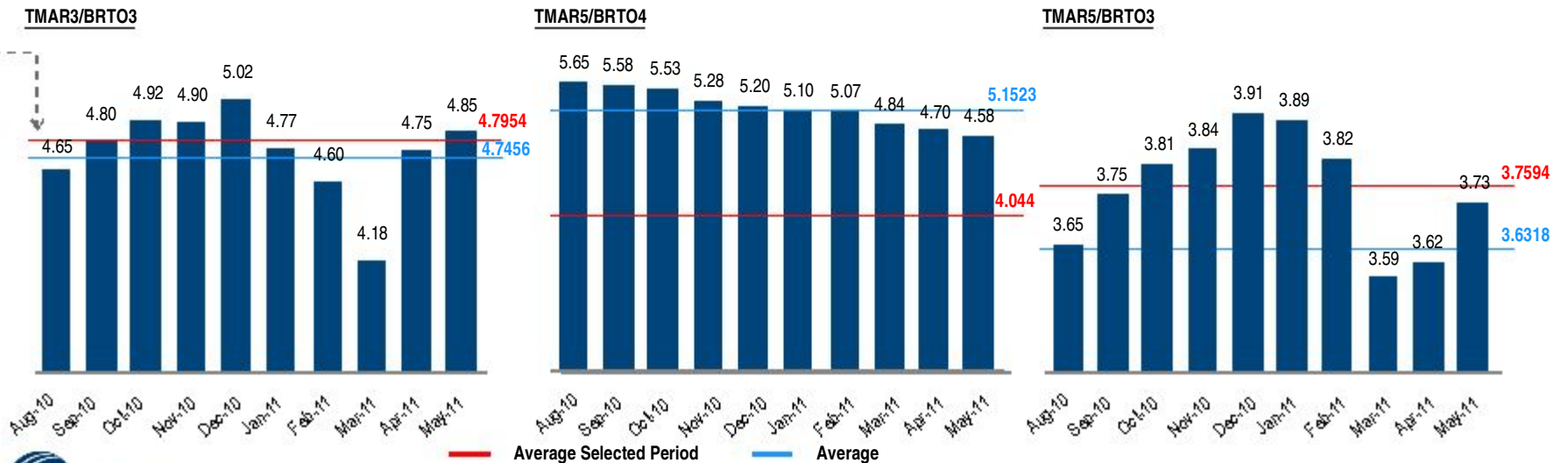


Exchange Ratios based on Moving Average

Volume Weighted Average Price (moving average of previous 3 months)



Exchange Ratios



Source: Economática. Periods ended on May 23rd, 2011

Notes:

- Moving average period refers to historical prices in the period between March 24th, 2010 until May 23rd, 2011, used to calculate the exchange ratios based on 3-month moving average
- Price of BRT shares are already adjusted for the distribution of redeemable shares of BRT in the amount of R\$2.5433 per share, for all points of the series



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APPENDIX C

Companies' Weighted Average Cost of Capital (WACC)

Companies' Weighted Average Cost of Capital (WACC)

Comparable Companies	Beta (B)	Debt / Equity	Leverage Factor	Tax Rate	Unlevered Beta
Tele Norte Leste Participacoes S.A.	0.821	92.9%	1.61	34.0%	0.51
Telemar Norte Leste S.A.	0.877	72.5%	1.48	34.0%	0.59
Brasil Telecom	0.880	(15.6%)	0.90	34.0%	0.98
Telesp	0.502	0.4%	1.00	34.0%	0.50
TIM	0.951	8.5%	1.06	34.0%	0.90
Average	0.81	31.7%			0.70

Assumptions	
Tax Rate - Brazil	34.00%
Risk Free Rate (U.S.) (R) ⁽¹⁾	3.29%
Stock Market Risk Premium (R) ⁽²⁾	6.72%
Country Risk Premium (CRP) ⁽³⁾	2.00%

Cost of Debt Before Taxes (R\$):
 Cost of Debt Before Taxes (US\$):
 Cost of Debt After Taxes (US\$):

11.0%	11.5%	12.0%	12.5%	13.0%	13.5%
8.5%	9.0%	9.5%	10.0%	10.5%	11.0%
5.6%	5.9%	6.3%	6.6%	6.9%	7.3%

Debt/ Total Capital	Debt/ Equity	Average Beta Lev.	Lev. Factor	Lev. Beta ⁽⁸⁾	Equity Cost ⁽⁹⁾	Debt/ Equity
20.0%	25.0%	0.70	1.17	0.81	10.7%	20.0%
25.0%	33.3%	0.70	1.22	0.85	11.0%	25.0%
30.0%	42.9%	0.70	1.28	0.89	11.3%	30.0%
35.0%	53.8%	0.70	1.36	0.94	11.6%	35.0%
40.0%	66.7%	0.70	1.44	1.00	12.0%	40.0%
45.0%	81.8%	0.70	1.54	1.07	12.5%	45.0%
50.0%	100.0%	0.70	1.66	1.16	13.1%	50.0%

Weighted Average Cost of Capital (WACC)

9.7%	9.8%	9.9%	9.9%	10.0%	10.0%
9.7%	9.7%	9.8%	9.9%	10.0%	10.1%
9.6%	9.7%	9.8%	9.9%	10.0%	10.1%
9.5%	9.6%	9.8%	9.9%	10.0%	10.1%
9.5%	9.6%	9.7%	9.9%	10.0%	10.1%
9.4%	9.5%	9.7%	9.8%	10.0%	10.1%
9.3%	9.5%	9.7%	9.8%	10.0%	10.2%

Notes:

1. Risk Free Rate calculated as of U.S. GT10 Bond
2. Long term Equity Risk Premium, calculated by Ibbotson
3. BTGP estimate
4. Source: Bloomberg, on July 28, 2011.
5. Levering Factor: $1 + (1 - \text{tax rate}) \times (\text{Debt} / \text{Total Capital})$.
6. Unlevered Beta: $\text{Beta} / \text{Levering Factor}$.
7. Total Capital = Debt + Equity.
8. Levered Beta: $\text{Beta} \times \text{Levering Factor}$.
9. Cost of Equity: $R_f + B \times (R_m - R_f)$.





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APPENDIX D

Exchange Ratios Scenarios Comparison

Exchange Ratios Scenarios Comparison

Detailed calculation of the Exchange Ratios and sensitivity analysis:

Methodologies	Minimum Price (R\$/share)				Maximum Price (R\$/share)				Exchange Ratio Min Max		Exchange Ratio Min Max		Exchange Ratio Min Max		Mkt Cap Min (R\$ mm)		Mkt Cap Max (R\$ mm)	
	TNLP4	TNLP3	BRT04	BRT03	TNLP4	TNLP3	BRT04	BRT03	TNLP4:BRT04	TNLP3:BRT03	TNLP4:BRT03	TNL	BRT	TNL	BRT			
Selected Period ⁽¹⁾	27.13	35.04	12.46	14.73	27.13	35.04	12.46	14.73	2.18	2.18	2.38	2.38	1.84	1.84	14,137	7,809	14,137	7,809
Book Value ⁽²⁾	28.87	28.87	19.38	19.38	28.87	28.87	19.38	19.38	1.49	1.49	1.49	1.49	1.49	1.49	13,496	11,430	13,496	11,430
12-month Period ⁽³⁾	25.57	34.06	9.56	13.13	25.57	34.06	9.56	13.13	2.67	2.67	2.59	2.59	1.95	1.95	13,516	6,364	13,516	6,364
2-month Period ⁽³⁾	27.14	35.08	12.28	14.71	27.14	35.08	12.28	14.71	2.21	2.21	2.39	2.39	1.85	1.85	14,148	7,736	14,148	7,736
DCF (WACC) ⁽⁴⁾	32.11	32.11	16.84	16.84	51.08	51.08	22.47	22.47	1.91	2.27	1.91	2.27	1.91	2.27	15,013	9,929	23,877	13,251
DCF (Perp. Growth) ⁽⁵⁾	32.89	32.89	17.08	17.08	42.51	42.51	19.91	19.91	1.93	2.14	1.93	2.14	1.93	2.14	15,377	10,076	19,873	11,741

Source: Economática, Facset, CVM and BTG Pactual

- Note:
- (1) From 03/29/2011 until 05/23/2011
 - (2) Number of shares as of March 31st 2011
 - (3) Period before 05/23/2011
 - (4) Considers WACC between 8.5% and 10.5%
 - (5) Considers perpetuity growth between 1.5% and 3.5%





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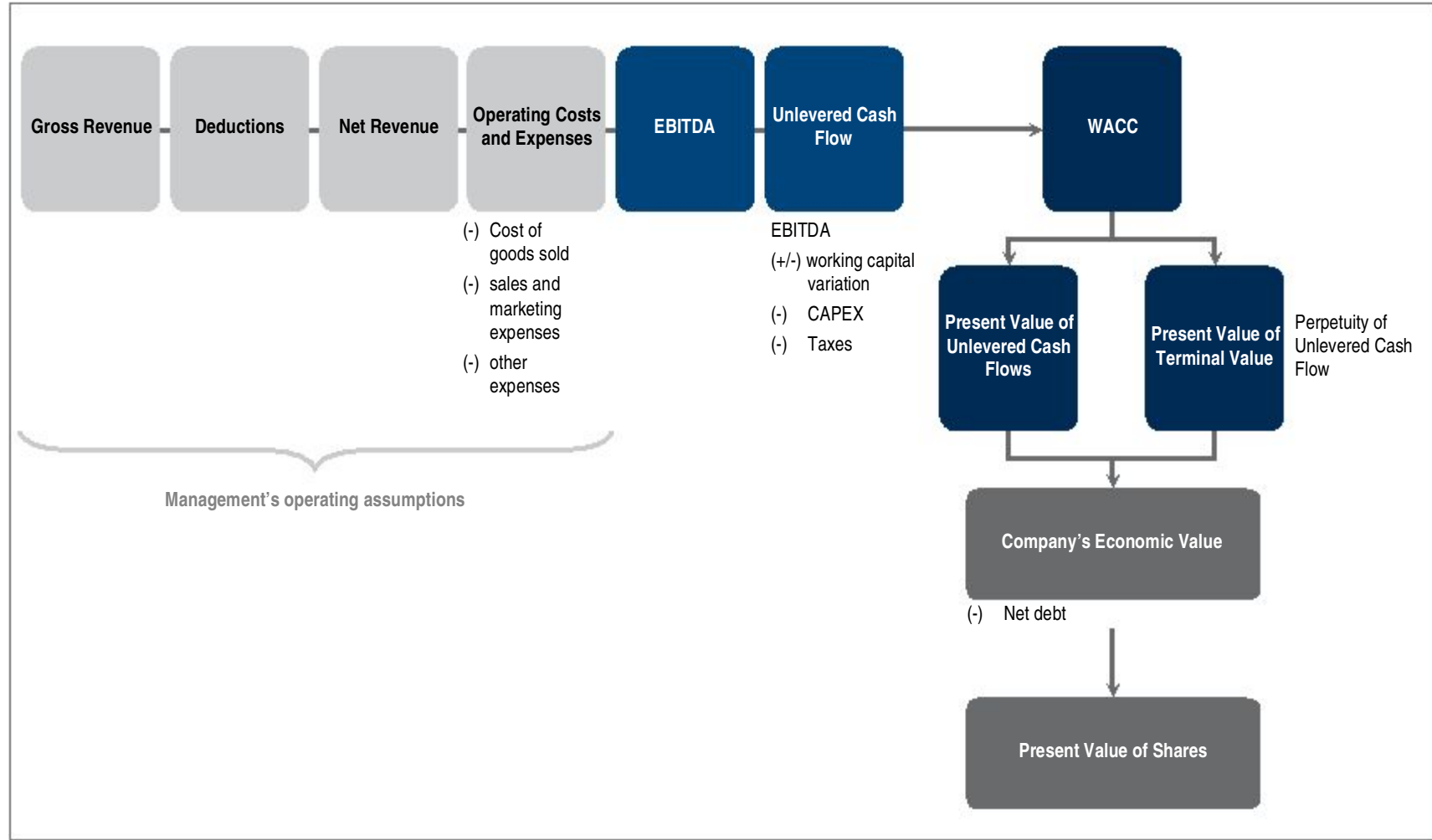
APPENDIX E

Description of Valuation Methodologies



Valuation Model Structure

Method for the construction of the Free Cash Flow to Firm (FCFF)

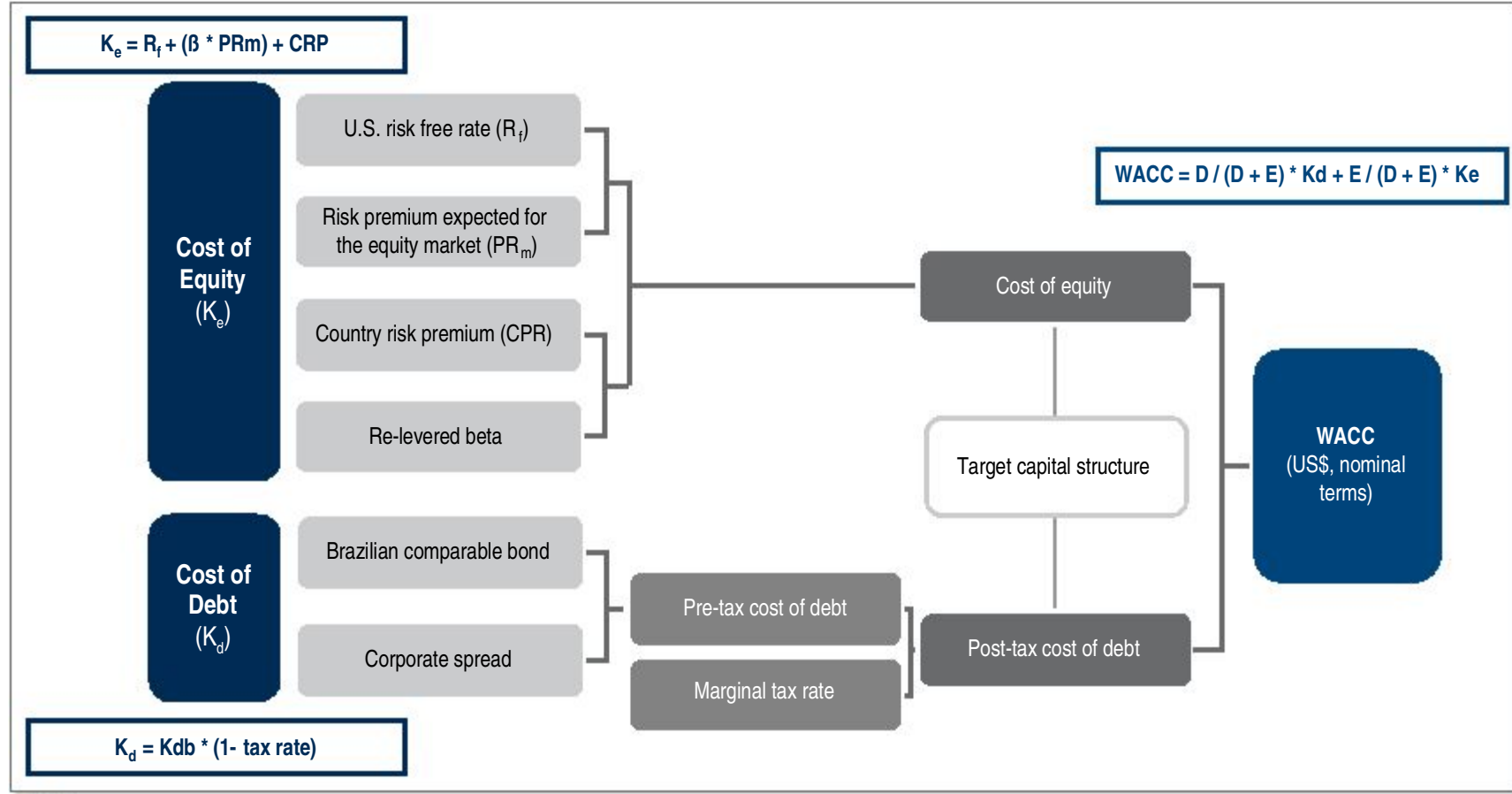




WACC Calculation

WACC was calculated with the combination of cost of equity (K_e) and cost of debt (K_d) estimated for the company under analysis, considering a target capital structure

- K_e was estimated by the evaluator based on the CAPM - Capital Asset Pricing Model, adjusted for country's risk
- K_d was estimated by the evaluator considering the credit risk and debt capital markets current dynamics





Constant Growth Model or Gordon Model

The Constant Growth Model or Gordon Model was used when calculating the perpetuity

$$\text{Perpetuity} = \frac{\text{FCF}(n) \times (1+g)}{\text{WACC} - g}$$

- **FCF(n):** Free cash flow in the last projected year
- **“g”:** Constant perpetuity growth rate of cash flows during the period after projections
- **WACC:** Weighted average cost of capital using company’s target capital structure





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APPENDIX F

Terms and Definitions Used in the Report



Terms and Definitions Used in the Valuation Analysis

- **Beta:** index that measures the non-diversifiable risk of a stock. Beta measures the relationship between the return of a stock and the market return. Thus, the risk premium will always be multiplied by this coefficient, demanding a higher premium for risk the higher is the change in stock prices versus market return
- **Capex:** capital expenditures, or maintenance and/or capacity expansion investments
- **CAPM:** capital asset pricing model
- **EBIT:** earnings before interest and taxes
- **EBITDA:** earnings before interest, taxes, depreciation and amortization
- **FCFF:** free cash flow to firm
- **LTM:** last twelve months
- **NOPAT:** net operating profit after taxes
- **VWAP:** volume weighted average price
- **WACC:** weighted average cost of capital





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APPENDIX G

Additional Statements and Information



Additional Statements and Information

This presentation (“Valuation Analysis”) was prepared by Banco BTG Pactual S.A. (“BTG Pactual”) under the solicitation of Tele Norte Leste Participações S.A. (“TNL”), to evaluate the shares of TNL, Telemar Norte Leste S.A. (“TMAR”), Coari Participações S.A. (“Coari”) and Brasil Telecom S.A. (“BRT”, and, along with TNL, Coari and TMAR, the “Oi Companies”), in the context of the proposed corporate reorganization of the Oi Companies, as described in the Material Fact published by Telemar Participações S.A. on May 24th, 2011 (“Transaction”).

BTG Pactual states that the information presented herein is updated as of May 24th, 2011.

BTG Pactual highlights that its services do not include advisory services of any nature, such as Legal or Accounting. The content of this material is not and shall not be considered a promise or a guarantee in relation to the past or future.

BTG Pactual highlights that the valuation of the Oi Companies was made in a standalone manner, disregarding any possible impacts related to the Transaction, and disregarding possible positive or negative synergies created by the Transaction.

In preparing this Valuation Analysis, BTG Pactual obtained information from public sources or from sources that to the best of BTG Pactual’s knowledge was considered reliable, including financial statements made available on March 31st, 2011 relating to TNL, TMAR and BRT, which were audited by Deloitte Touche Tohmatsu, the independent auditors of the Companies. BTG Pactual obtained information from public sources which were considered reliable, however BTG Pactual did not make an independent verification of such information and of information received from the Oi Companies or from the third parties hired by the Oi Companies. BTG Pactual does not assume responsibility for the precision, accuracy or completeness of such information.

The Oi Companies, through their designated professionals, have made available information such as data, projections, assumptions and forecasts related to the Oi Companies and to markets where the Oi Companies operate, which were used in this Valuation Analysis. The Oi Companies will be referenced in this Valuation Analysis jointly as “Information Suppliers”.

BTG Pactual based its analysis on the information mentioned above and on discussions with professionals of the Oi Companies and other representatives of the Oi Companies, and BTG Pactual did not verify independently any information publicly available or supplied to BTG Pactual in the preparation of this Valuation Analysis. BTG Pactual does not express any opinion about the reliability of the information supplied and highlights that any errors or changes in such information could significantly affect BTG Pactual’s analysis.

During the preparation of our work, we run analysis procedures whenever necessary. However, we highlight that our work did not intend to be an audit of financial statements or of any other information supplied to us by the Information Suppliers, and it cannot be considered as such. Our work took into account the relevance of each item, and therefore assets, rights and obligations of low relative relevance have not been the object of a detailed analysis. BTG Pactual has not independently verified the information provided by the Information Suppliers, who assumed full responsibility for the information supplied to BTG Pactual.

During the preparation of the present Valuation Analysis, BTG Pactual has adopted as an assumption, with express consent of the Information Suppliers, the reliability, accuracy, veracity, completeness, sufficiency and integrity of all data which was prepared or discussed, so BTG Pactual does not assume, neither has performed any physical inspection of any assets or properties, and has not made any independent valuation of the assets and liabilities of the Oi Companies, or their solvency, assuming as consistent the information used in the Valuation Analysis, with the Information Suppliers, including their employees, partners and representatives, taking responsibility for all information which was prepared for or discussed with BTG Pactual.





Additional Statements and Information (cont'd)

The data, forecast, assumptions and estimates related to the Oi Companies and their markets used or included in this Valuation Analysis, has been based on certain groups of accounts and a presentation layout which can be considerably different from the group of accounts used by the Oi Companies in the preparation of their public financial statements. This procedure was adopted in order to make the forecasts presented consistent with the groups of accounts reported in the management financial statements presented to us. Occasional differences in groups of accounts do not have an impact on the results of the valuation.

All the information, estimates and forecasts included herein are based on those used and presented by the Information Suppliers, adjusted by BTG Pactual at its sole discretion regarding the reasonableness of such adjustments and are assumed to be the best appraisal of Information Suppliers and of their administration of the business evolution of the Oi Companies and their markets of operation.

Except if otherwise expressly presented, as indicated in writing in specific notes or references, all data, historical information, market information, forecasts, projections and assumptions, included, considered, used or presented in this Valuation Analysis are those presented by the Information Suppliers to BTG Pactual.

The information herein contained, relating to the accounting and financial position of the Oi Companies and their markets, are those available on March 31st, 2011. Any changes in those positions can affect the results of this Valuation Analysis. BTG Pactual does not assume any obligation of updating, reviewing or amending this Valuation Analysis, as a result of disclosure of any subsequent information after May 24th, 2011 or as result of any other subsequent event.

There is no guarantee that the assumptions, estimates, forecasts, partial or total results or conclusions used or presented in this Valuation Analysis will be effectively reached or verified, in part or in whole. The future results of the Oi Companies may be different from the results included in the forecast, and differences may be significant, as result of several factors, including, but not limited to, changes in the market conditions. BTG Pactual does not assume any responsibility related to such differences.

This Valuation Analysis was generated according to the economic and market conditions, among others, existing on the date of its preparation, so the conclusion presented is subject to variations of several factors, over which BTG Pactual does not have any control.

The sum of individual values presented in the Valuation Analysis can be different from the sum presented, due to rounding.

To perform its work, BTG Pactual adopted as an assumption that all governmental and regulatory approvals, or other approvals of any nature, or exemptions, amendments or renegotiation of any agreements necessary to the Transaction were or will be obtained, and no modifications are necessary to those acts that will cause any adverse impact to the equity of the Oi Companies or will reduce the intended benefits of the Transaction.

This Valuation Analysis was prepared in accordance with Law 6.404, of December 15, 1976, and CVM Instruction 319, of December 3, 1999, but it does not intend to be the only reference for valuation of the Oi Companies, and therefore, the Valuation Analysis does not contain all the information necessary for such objective, and consequently does not represent nor constitute a proposal, solicitation, suggestion or recommendation by BTG Pactual for the approval or rejection of the Transaction, as such decision is the sole responsibility of the shareholders of the Oi Companies, and BTG Pactual does not assume any responsibility for such decision by the shareholders.

The shareholders shall make their own analysis in relation to the convenience and to the opportunity of approving the Transaction, and shall consult their own financial, tax and legal advisors before making their own decision about the Transaction, in a independent manner. The Valuation Analysis shall be read and interpreted according to the restrictions and qualifications previously mentioned. The reader shall take into account the restrictions and characteristics of the information sources utilized.





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Additional Statements and Information (cont'd)

This Valuation Analysis cannot be circulated, copied, published or used in any form, neither can be archived, include or referenced, in whole or in part, in any document, without a previous consent of BTG Pactual. The use of the Valuation Analysis is restricted to the uses described on the CVM Instruction 319/99.

Valuation reports of the Oi Companies and sectors prepared by other companies, given their autonomy, may rely on different assumptions than those used in this Valuation Analysis and, consequently, present significantly different results.





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