

BRASIL TELECOM SA
Form 6-K
June 10, 2003

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 6-K

**REPORT OF FOREIGN ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16 OF THE
SECURITIES EXCHANGE ACT OF 1934**

THROUGH MAY 13,2003

(Commission File No. 1-15256)

BRASIL TELECOM S.A.

(Exact name of registrant as specified in its charter)

BRAZIL TELECOM COMPANY

(Translation of Registrant's name into English)

**SIA Sul, Área de Serviços Públicos, Lote D, Bloco B
Brasília, D.F., 71.215-000
Federative Republic of Brazil**

(Address of Registrant's principal executive offices)

Indicate by check mark whether the registrant files or will file
annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(1) .

Indicate by check mark if the registrant is submitting the Form 6-K
in paper as permitted by Regulation S-T Rule 101(b)(7) .

Indicate by check mark whether the registrant by furnishing the
information contained in this Form is also thereby furnishing the
information to the Commission pursuant to Rule 12g3-2(b) under
the Securities Exchange Act of 1934.

Yes No

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

Investor Relations

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Media Relations

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Free Translation**BRASIL TELECOM S.A.****Publicly traded Company**

Corporate Taxpayer Registration CNPJ/MF N° 76.535.764/0001-43

Board of Trade NIRE N° 53 3 0000622 9

**NOTICE TO SHAREHOLDERS
PAYMENT OF INTEREST ON SHAREHOLDERS' EQUITY**

Brasil Telecom S.A. (the Company) informs that at the Ordinary General Shareholders Meeting held on April 23, 2003, the shareholders of the Company approved the payment of interest on shareholders' equity, which will be imputed to the dividends relative to the fiscal year 2002, pursuant to article 9 of Law 9,249/95 and Deliberation #207/96 of Comissão de Valores Mobiliários (Brazilian Securities and Exchange Commission). Following are the details regarding the payment:

1. AMOUNT

The total amount of interest on shareholders' equity net of income tax to be distributed is R\$275,952,500.00 (two hundred and seventy-five million, nine hundred and fifty-two thousand and five hundred reais), concerning the Material Facts published in 2002, as follow:

Date of the credit	Brazilian Ex-Date	Total credited net of income tax (R\$)	Gross amount per 1,000 shares (R\$)	Net amount of income tax per 1,000 shares (R\$)
03/31/2002	04/10/2002	68,047,600.00	0.149116544	0.126749063
05/31/2002	05/31/2002	34,000,000.00	0.074492493	0.063318619
08/30/2002	09/06/2002	97,404,900.00	0.213298691	0.181303887
10/31/2002	11/12/2002	42,500,000.00	0.093230330	0.079245781
11/29/2002	12/10/2002	34,000,000.00	0.074696240	0.063491804

Note: The gross amount and an amount net of income tax per one thousand shares was adjusted regarding those published in the fiscal year 2002, pursuant to Comissão de Valores Mobiliários Instruction 10, February 14, 1980, once a time, the Board of Directors approved shares buyback program.

2. DATE OF PAYMENT

Beginning June 20, 2003.

3. FORM AND PLACE OF PAYMENT

Shareholders who have bank accounts and have provided their bank account information to Banco Bradesco S.A. (Bradesco the Company's depositary institution) will have their interest on shareholders' equity credited to those accounts.

Interest on shareholders' equity corresponding to shares deposited with the custodian agent will be credited to the respective stock exchange, which will then transfer the payments to shareholders through certified Brokerage Houses.

The remaining shareholders should proceed to a Bradesco branch of his or her choice, bringing along proof of banking account for registration (optional) and identified with the following documents:

A Natural Person: certified copy of his or her identification card, an Individual Taxpayer Registration (CPF) card and proof of address.

A Legal Person: certified copy of its Federal Taxpayer Registration (CNPJ/MF), and current consolidated articles of association or bylaws. The

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bylaws must reflect the minutes of the shareholders' meeting at which the current officers of the legal person were elected. Managing partners and officers with powers to represent the company must present a certified copy of their identity card, Individual Taxpayer Registration (CPF) card and proof of address.

If a shareholder is represented under power of attorney, agent of the shareholder must provide the public instrument of the grant of power of attorney, certified copies of the attorney's identity card and an Individual Taxpayer Registration (CPF) card.

4. RETAINED INCOME TAX

The interest on shareholders' equity had retained income tax at the rate of 15%, except for the shareholders who identified themselves as exempt from taxes at Banco Bradesco in this condition, according to Material Facts published on the newspapers Gazeta Mercantil (national edition), Jornal de Brasília, Valor Econômico and Diário Oficial da União, on the fiscal year 2002.

Brasília - DF, June 10, 2003.

Carla Cico
CEO and Investor Relations Officer

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: June 10, 2003

BRASIL TELECOM S.A.

By: _____ /s/ Carla Cico

Name: Carla Cico
Title: President and Chief
Executive Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
