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Free Translation

BRASIL TELECOM S.A.
Publicly traded company
Corporate Taxpayer Registration 76.535.764/0001-43
Board of Trade 53 3 0000622 9

NOTICE TO SHAREHOLDERS

PAYMENT OF INTEREST ON SHAREHOLDERS' EQUITY

Brasil Telecom S.A. (the "Company") informs that, on this date, the Company's Board of Directors approved the payment date for the interest on shareholders' equity credited on 04/20/2005, which will be imputed to the dividends relative to the fiscal year 2005, pursuant to article 9 of Law 9,249/95 and Deliberation 207/96 of the Brazilian Securities and Exchange Commission (*CVM - Comissão de Valores Mobiliários*). Following are the details regarding the payment:

1. AMOUNT

The total interest on shareholders' equity amount, net of taxes, to be paid is R\$204,085,000.00 (two hundred and four million and eighty-five thousand *reais*), according to the Material Fact released on April 21, 2005, as follow:

Date of the credit	Brazilian Ex-Date	Payment Date	Gross amount credited (R\$)	Gross amount per 1,000 shares (R\$)	Net amount per 1,000 shares (R\$)
04/20/2005	05/03/2005	From 05/16/2005	240,100,000.00	0.443300632	0.376805537

2. FORM AND PLACE OF PAYMENT

Shareholders who have bank accounts and have provided their bank account information to Banco Bradesco S.A. ("Bradesco"), Depository Institution, will have their interest on shareholders' equity credited to those accounts.

The 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. In the case of Corporations, it must be presented the minutes of the general shareholders' meeting or the executive board meeting, which elected the current officers. 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.

3. RETAINED INCOME TAX

The interest on shareholders' equity retains income tax at the rate of 15%, except for the shareholders who identify themselves as exempt from taxes at Bradesco in this condition, according to the Material Fact published on the newspapers Jornal de Brasília, Valor Econômico and Diário Oficial da União, on April 21, 2005.

Brasília - DF, April 29, 2005.

Carla Cico
Investor Relations Officer
Brasil Telecom S.A.

