# 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 DECEMBER 18, 2005** 

(Commission File No. 1-14477)

#### BRASIL TELECOM PARTICIPAÇÕES S.A.

(Exact name of registrant as specified in its charter)

#### BRAZIL TELECOM HOLDING 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 Regristrant'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 \_\_\_X\_\_ Form 40-F \_\_\_\_

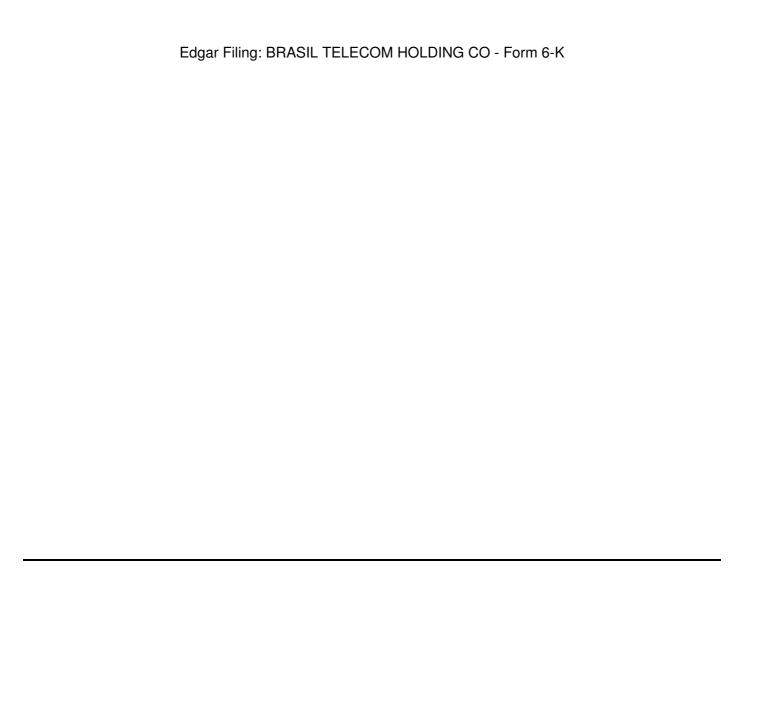
Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)\_\_.

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 \_\_\_X\_\_\_

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



Introduction and Brasil Telecom strategy review

Ricardo Knoepfelmacher

Business operations
Fixed voice
IP (DSL and Internet businesses)
Data
Mobile

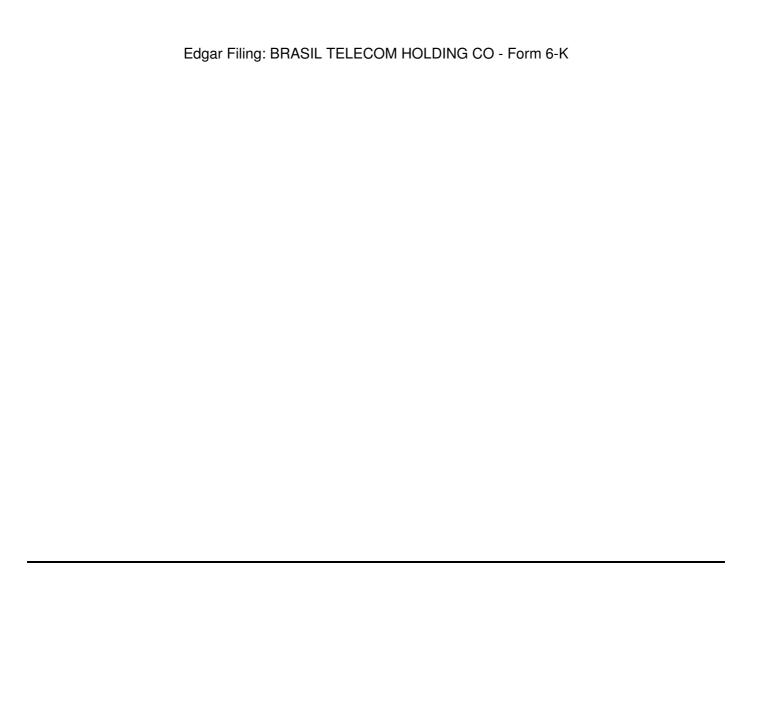
Regulatory challenges

Luiz Perrone

Operating effectiveness and financials

Charles Putz

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Transition safely held

Auditing processes moving first results already presented

Concerns about OpEx

We found expenses growing (above 14% up to September, excluding the mobile business)

New business plan developed focuses on concerns

Total revenue slightly growing fixed voice erosion compensation with other growth engines

Interrupted growth trend of expenses

Strategic directions established



Strategic guidelines approved by controlling shareholders

Operating cost reduction and 2006 budget approved

Integration of fixed and mobile sales forces Launch of new products: VoIP phone, multi-conference, Pula-Pula improvements and Brasil Virtual Net

Signature of concession contracts Social Phone/AICE

Open Channel program successfully released Revision of organizational structure

**Corporate Governance Officer position created Commitment with transparency** 

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Integration of network and IT operations concluded Revision and reduction of CAPEX and cost structure being implemented
Integration of ISPs in progress
Bid processes for major supply categories in progress Revision of purchase organization and processes
Initial diagnosis yielded important results Filing of complaint at CVM
Mapping and managing of litigations related to the company

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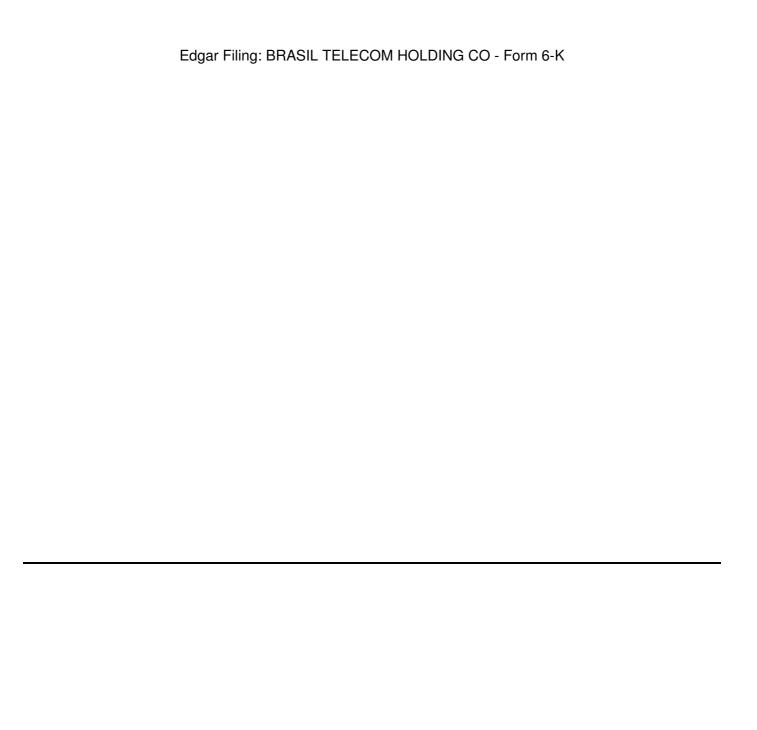


Source: Brasil Telecom; BCG analysis



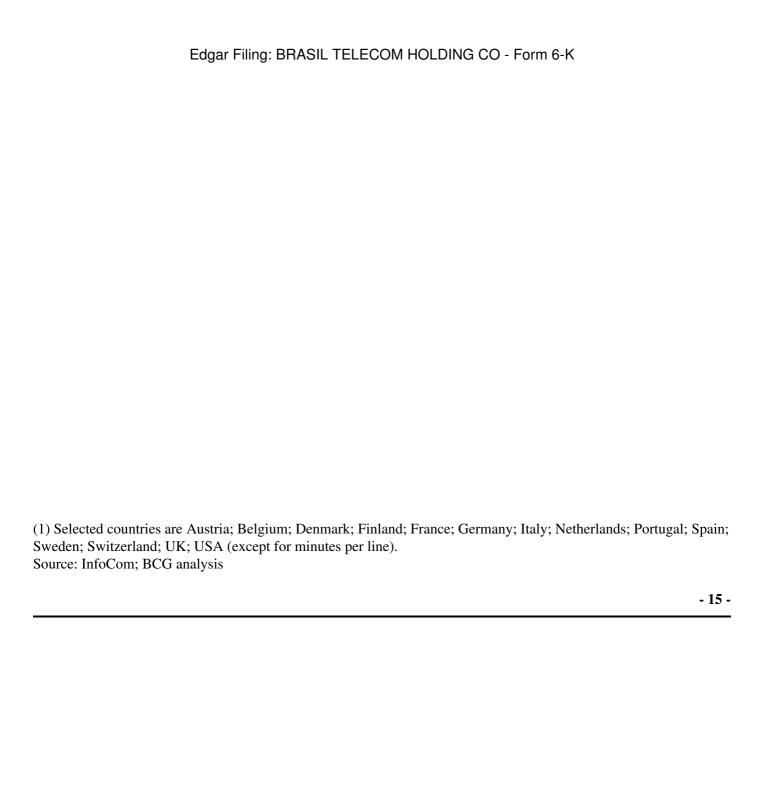
Fonte: Brasil Telecom; Análise BCG

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### **Brasil Telecom Fixed Voice Net Revenues**

Source: Brasil Telecom



Source: PNAD

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## Excess pulses decline break-down of drivers

(1) Other include mobile pre-paid. economic and customer behavioral effect. etc. Source: Brasil Telecom.

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**Total vs. Consistent Voice Revenues** 

Source: Brasil Telecom

Mitigate fixed lines erosion	Low income offers
	Ine offer
	More aggressive retention strategy Pro-active retention churn forecast model
Mitigate traffic erosion	
	Minute plans
	Flat fee offers Traffic incentives
	Cordless project
Defend high value customers	Clustered bundled offers
Defend / grow corporate customers	Win-back initiatives
Attack and consolidate LD market	Minute plans Traffic campaigns
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(1) Example of real offer launched before the clustering model. Model will facilitate and speed up creation of customized offers to customers.  Source: Brasil Telecom	
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Lines in service Increased demand for low income terminals

Mobile substitution driving lower overall demand

Compensation effect of initiatives to mitigate terminals erosion

Local revenue Stable prices driven by low tariff adjustment (deflation in 2nd

semester of 2005)

Lower MoU due to mobile substitution and dial-up - broadband

substitution

LD revenue Lower MoU due to mobile substitution

**Increasing competitive pressures** 

Increasing market share in inter-regional DLD and ILD

F-M revenue

Stable to slightly growing traffic relative to 2005

Stable market share

**Interconnection** Decrease in fixed interconnection rates

Termination of transportation agreements in mobile operators

in Region II

**Total fixed voice** 

revenue Overall revenue decline

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**Brasil Telecom IP Net Revenues** 

Source: Brasil Telecom

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(1) Estimated PC penetration for Brazil of 18% in 2005 and 23% for 2008	
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Source: Brasil Telecom 3Q-05 figures

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Optimize DSL profitability	Product upselling initiatives (up t30% success rates)  Manage growth based on segmented pproach		
Structure targeted VoIP offer	Launch VoipFone offer selectively		
Explore options to increase scale in services and content development	Maximize synergies amongst ISP		
Monetize IP relationships with residential customers	Develop new products and serviceand gradually test the market (small bets)		
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**DSL** accesses

30% to 40% of DSL subscribers growth

**DSL ARPU** 

Slight growth expected due to upselling initiatives and

segmented customer approach

ISP clients Stabilization of dial up traffic broadband migration

compensated by new users for dial up

More focus on ISP broadband subscribers

IP total revenue

Significant revenue growth expected

## **Brasil Telecom Corporate Data Net Revenues**

Source: Brasil Telecom

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Fonte: Brasil Telecom; Press Releases; IDC

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### Corporate data market in Region II

Note: SOW = Share of wallet

Source: Annual reports; Brasil Telecom and BCG analysis and estimates

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85%	of $churn^{(1)}$	come from	clients	with no	more	than 2	products
05/0	or charm.	COINC II OIII	CHCHIS	WILLI IIO	more	unan 2	products

(1) Clients that had revenue in 2005 and didn t have data revenue in July. August and September 2005 Source: Brasil Telecom; BCG Analysis



Source: Marketing BRT. BCG analysis

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SoW growth in SMEs	
	Expansion in SME market with onvergent offers
	Approach based on client valupotential
Retention in corporate and government clients	Leveraging cross selling mappingoutsourcing & VAS
Pricing realization through customized approach	Refine pricing intelligence platformdata collection, analysis and feedback
	Segmented offers
	- 37



Market size Market growing, but less accelerated than 2005

Major growth coming from IP VPN and dedicated IP Slight decrease in dedicated lines and frame-relay

Market share

Corporate and government clients retention

**Growth in SME** 

Prices Higher competitive pressures than in 2005

Continued shift towards advanced services minimizing

price pressures

**Total Corporate** 

data revenues Lower growth than in 2005



### **Brasil Telecom Mobile Net Revenues**

Source: Brasil Telecom

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(1) Accesses per 100 inhabitants Oct-05

Source: Atlas do mercado de telecomunicações do Brasil 2005; Anatel; IPC 2005

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(1) Values do not include marginal market share of other players Source: Company estimates.

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Fontes: Merrill Lynch, Global Mobile Report

Source: Brasil Telecom estimates

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Source: Brasil Telecom estimates

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Aggressive growth in high value customers	Leverage customer relationships t <b>a</b> ttract high value customers  Grow market share and penetrat <b>c</b> orporate market
Achieve critical scale	Capture profitable pre-paid customers
Maintain average customer life time value	Monitor and manage value drivers tacquire customers with positive life time value
Grow with adequate CapEx	Staggered CapEx on network expansion reduce risk  Optimize and prioritize expenditures
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Market size Slower growth for 2006 due to penetration saturation (17%

growth in 2006 versus 34% in 2005)

Subscribers Expected 2006 market share of 11% versus 8.5% for 2005

Increase market share in post-paid above pre-paid in 2006 Expected subscriber base of 3 million by the end of 2006

Mix

Maintain post-paid mix above competition

SAC R\$200 expected in 2006 versus R\$220 in 2005, mainly due to

cost reductions in marketing and subsidies

Churn

Maintenance of churn below market average

**ARPU** 

Average expected ARPU of R\$28

Revenue

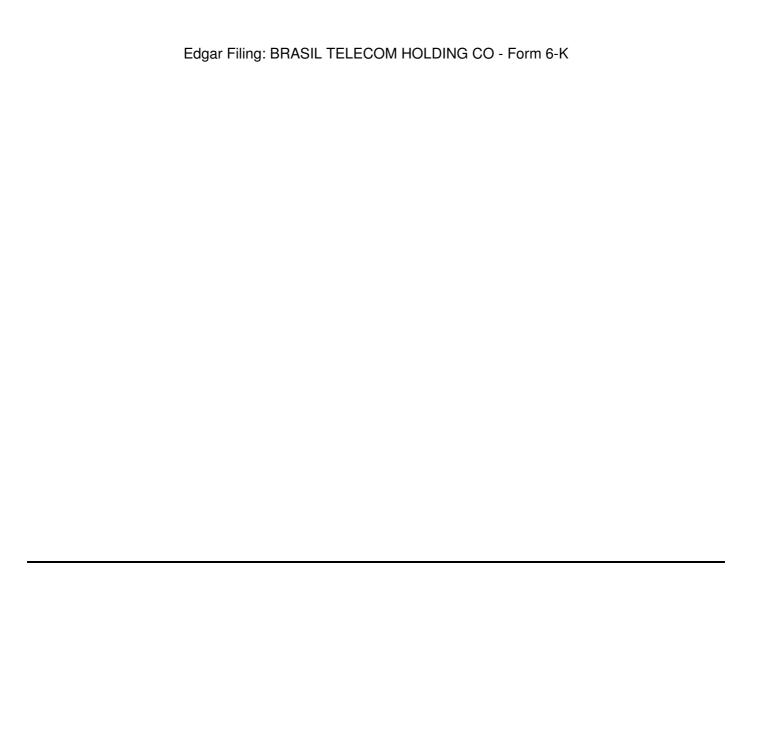
Significant revenue growth

**EBITDA** 

Margin improvement due to emphasis on profitability

Breakeven expected in first quarter of 2007

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Pulse-minute conversion
Universal services and quality obligations
Lower fixed interconnection rate
New productivity factor
New tariff readjustment index (IST)
Low income fixed lines

Number portability Resale MVNO Mobile interconnection

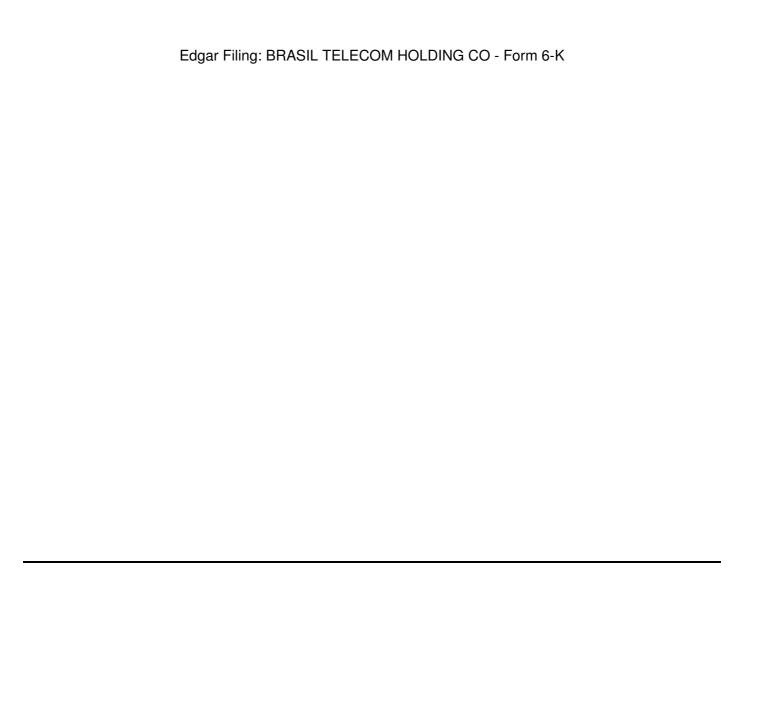
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Note: Benchmark data from 2004; PPP adjustment realized via Big Mac index calculated by The Economist. For European countries. Itcx tariffs are for Single Transit
Source: European commission: European Electronic Communications Regulation and Markets 2004; COFETEL; The Economist

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Ensure positive margins for F-M traffic
Minimize the gap between Brazilian context and international reference $^{(1)}$
Work proactively with regulator to explore economically viable solutions to increase universalization of services and quality
Ensure market viability in fixed resale and MVNO avoid value destruction for infrastructure based players
Shape regulatory environment in the future to create new opportunities
) Average mobile interconnection in international references is ~25% lower than Brazil s level ource: European Electronic Communications Regulation and Markets 2004
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**Total revenue** Slight growth increase in corporate data, IP and mobile

offset by decline in fixed voice

**Operating costs** 

Slight increase mitigate cost pressure

**EBITDA** margin EBITDA margin expected to be stable or slightly lower,

already considering the negative impact of mobile operation

below 5 p.p.

CapEx

Increased CapEx due to regulatory requirements

**Capital structure** 

Slight increase in debt to reduce WACC

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Fixed voice Local, LD and interconnection revenues decreasing

F-M revenues stable to slight increase

IP 30% to 40% of DSL subscribers growth expected in 2006

Stabilization in dial up traffic

More focus on ISP broadband subscribers

Corporate data

Growth with emphasis in SMEs

Shift in mix minimizes price pressure

Mobile

Expected subscriber base of 3 million by end of 2006

Significant revenue growth expected in 2006

Total revenues Fixed voice decline compensated by other businesses

growth

Slight overall revenue growth expected relative to 2005

levels

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**Operational Costs and Expenses for Brasil Telecom** 

Source: Brasil Telecom analysis

**Evolution of contract volumes in R\$M** 

Interconnection **Reduction in fixed interconnection costs** Market share growth in mobile business Third parties **Contracts renewed in August 2005** Contracts readjustment triggers Call center expansion for mobile and broadband growth **Personnel** Salary adjustments following union negotiations New hires during 2005 **Bad debt** Slight increase of bad debt Other Lower level of other operating revenues Higher demand for national and international circuits **Total operating** Stable or slightly higher than 2005 levels without non expenses recurring items

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CapEx Evolution 1998 to 2006e (R\$B)

(1) Investments include CRT acquisition (R\$1.4B) (2) Companies acquisition of R\$476M Source: BrT network management; BrT IT management; BrT finance department

Minimizing fixed voice erosion Growing profitably in other businesses

Optimizing expenditures Investigating potential for savings Renegotiating contracts

Minimizing regulatory CapEx Imposing disciplined approach to cash management Focusing on growth engines

Optimize capital structure to reduce WACC Maintain conservative liquidity levels

Respecting statutory obligations
Prioritizing shareholder value creation
Optimizing tax planning (interest on shareholder equity)

This document contains forward -looking statements. Such statements do not constitute facts occurred in the past and reflect the expectations of the Company's managers only. The words "anticipates." "believes." "estimates." "expects." "forecasts." "intends." "plans." "predicts." "projects" and "aims". as well as other similar words. are intended to identify those forward -looking statements. which obviously involve risks or uncertainties predicted or not by the Company. Accordingly, the future results of the Company s operations may differ from the current expectations, and the reader should not rely exclusively on these forward -looking statements. Forward -looking statements speak only as of the date they are made, and the Company does not undertake any obligation to update them in light of new information or future developments.

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### **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: December 18, 2005

### BRASIL TELECOM PARTICIPAÇÕES S.A.

By: /s/ Charles Laganá Putz

Name: Charles Laganá Putz Title: Chief Financial

Officer