

1 800 FLOWERS COM INC
Form SC 13D
July 27, 2017
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

1-800-FLOWERS.COM, INC.

(Name of Issuer)

Class A Common Stock, par value \$0.01 per share

(Title of Class of Securities)

68243Q106

(CUSIP Number)

Gerard M. Gallagher, Esq.
1-800-FLOWERS.COM, Inc.

One Old Country Road
Carle Place, New York 11514

(516) 237-6000

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

July 18, 2017

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box [].

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 240.13d-7 for other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 68243Q106

NAME OF REPORTING PERSONS

(1) Christopher G. McCann, individually and as a Trustee of the Erin McCann 2005 Trust, as a Trustee of the James F. McCann 2005 Trust, as a Trustee of the Matthew E. McCann 2005 Trust, as Trustee of The James F. McCann 2012 Family Trust – Portion I, as Trustee of The James F. McCann 2012 Family Trust – Portion II, as the general partner of The McCann Family Limited Partnership, as a Director and President of Public Flowers, Inc., the general partner of the 1999 McCann Family Limited Partnership, and as the Trustee of the Marylou McCann 1999 Trust u/a/d July 6,1999

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a) [x]

(b) []

(3) SEC USE ONLY

(4) SOURCE OF FUNDS
PF

(5) CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
United States

Number of Shares	(7)	SOLE VOTING POWER	3,992,384 (1)
Beneficially Owned	(8)	SHARED VOTING POWER	14,073,862 (2)
by Each Reporting	(9)	SOLE DISPOSITIVE POWER	

		3,436,000 (3)
		SHARED
Person		DISPOSITIVE
With	(10)	POWER
		14,073,862 (2)
		AGGREGATE AMOUNT
(11)		BENEFICIALLY OWNED BY
		EACH REPORTING PERSON
		18,066,246 (1)(2)(4)
		CHECK IF THE
(12)		AGGREGATE AMOUNT IN
		ROW (11) EXCLUDES
		CERTAIN SHARES
		[x] (5)
		PERCENT OF CLASS
(13)		REPRESENTED BY
		AMOUNT IN ROW (11)
		38.9% (6)
(14)		TYPE OF REPORTING
		PERSON
		IN

(1) This amount includes 1,375,000 shares of Class A Common Stock that may be acquired through the exercise of stock options and 850,640 shares of Class B Common Stock. The Class B Common Stock has ten votes per share on all matters subject to the vote of the stockholders. The Class B Common Stock is convertible at any time into an equal number of shares of Class A Common Stock at the option of the holder thereof.

(2) This amount includes 5,875,000 shares of Class B Common Stock.

(3) This amount includes all amounts included in 7 above except for 556,384 shares of Class A Common Stock which are unvested.

(4) Christopher G. McCann disclaims beneficial ownership of 14,031,991 shares of Class A Common Stock. This report shall not be deemed an admission that such person is the beneficial owner of such securities.

(5) Excludes 22,555,045 shares of Class A Common Stock held by other Reporting Persons and issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Person as to which Christopher G. McCann disclaims beneficial ownership. This report shall not be deemed an admission that such person is the beneficial owner of such securities.

(6) The percentage of beneficial ownership is based on (a) 38,333,867 shares of Class A Common Stock outstanding as of June 12, 2017, which number includes 1,730,288 unvested restricted shares, plus (b) the 8,100,640 shares of Class A Common Stock issuable upon exercise of the stock options and conversion of the Class B Common Stock included in 11 above.

CUSIP No. 68243Q106

- (1) NAME OF REPORTING PERSONS
James F. McCann
- CHECK THE APPROPRIATE BOX IF
A MEMBER OF A GROUP (See
- (2) Instructions)
(a) [x]
(b) []
- (3) SEC USE ONLY
- (4) SOURCE OF FUNDS
PF
- (5) CHECK IF DISCLOSURE OF LEGAL
PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e)
 []
- (6) CITIZENSHIP OR PLACE OF
ORGANIZATION
United States
- Number of (7) SOLE VOTING POWER
Shares 22,552,822 (1)
- Beneficially (8) SHARED VOTING POWER
Owned 13,682,372 (2)
- by Each (9) SOLE DISPOSITIVE POWER
Reporting Person 22,429,864 (1)
- With (10) SHARED DISPOSITIVE POWER
14,074,342 (3)
- (11) AGGREGATE AMOUNT
BENEFICIALLY OWNED BY EACH
REPORTING PERSON
36,627,164 (1)(3)(4)
- (12) CHECK IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES
 [x] (5)
- (13) PERCENT OF CLASS
REPRESENTED BY AMOUNT IN
ROW (11)
55.5% (6)
- (14) TYPE OF REPORTING PERSON
IN

(1) This amount includes 21,803,043 shares of Class B Common Stock. The Class B Common Stock has ten votes per share on all matters subject to the vote of the stockholders. The Class B Common Stock is convertible at any time into an equal number of shares of Class A Common Stock at the option of the holder thereof.

(2) This amount includes 5,483,030 shares of Class B Common Stock.

(3) This amount includes 5,875,000 shares of Class B Common Stock.

(4) James F. McCann disclaims beneficial ownership of 14,031,991 shares of Class A Common Stock. This report shall not be deemed an admission that such person is the beneficial owner of such securities.

(5) Excludes 3,994,127 shares of Class A Common Stock held by other Reporting Persons, issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Person, and issuable upon exercise of stock options exercisable within 60 days after the date of this filing held by other Reporting Person as to which James F. McCann disclaims beneficial ownership. This report shall not be deemed an admission that such person is the beneficial owner of such securities.

(6) The percentage of beneficial ownership is based on (a) 38,333,867 shares of Class A Common Stock outstanding as of June 12, 2017, which number includes 1,730,288 unvested restricted shares, plus (b) the 27,678,043 shares of Class B Common Stock included in 11 above.

CUSIP No. 68243Q106

- (1) NAME OF REPORTING PERSONS
Erin McCann 2005 Trust
- (2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
(a) [x]
(b) []
- (3) SEC USE ONLY
- (4) SOURCE OF FUNDS
OO – See Item 3 of Statement
- (5) CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []
- (6) CITIZENSHIP OR PLACE OF ORGANIZATION
United States

Number of Shares	(7)	SOLE VOTING POWER 0
Beneficially Owned	(8)	SHARED VOTING POWER 2,265,197
by Each Reporting Person	(9)	SOLE DISPOSITIVE POWER 0
With	(10)	SHARED DISPOSITIVE POWER 2,265,197

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,265,197

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
 [x] (1)

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
5.9% (2)

(14)

TYPE OF REPORTING
PERSON
OO

(1) Excludes 38,356,094 shares of Class A Common Stock held by other Reporting Persons, issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons, and issuable upon exercise of stock options exercisable within 60 days after the date of this filing held by other Reporting Person as to which the Erin McCann 2005 Trust disclaims beneficial ownership. This report shall not be deemed an admission that such person is the beneficial owner of such securities.

(2) The percentage of beneficial ownership is based on 38,333,867 shares of Class A Common Stock outstanding as of June 12, 2017, which number includes 1,730,288 unvested restricted shares.

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CUSIP No. 68243Q106

- (1) NAME OF REPORTING PERSONS
James McCann 2005 Trust
- (2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
(a) [x]
(b) []
- (3) SEC USE ONLY
- (4) SOURCE OF FUNDS
OO – See Item 3 of Statement
- (5) CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []
- (6) CITIZENSHIP OR PLACE OF ORGANIZATION
United States

- | | | |
|--------------------------|------|---------------------------------------|
| Number of Shares | (7) | SOLE VOTING POWER
0 |
| Beneficially Owned | (8) | SHARED VOTING POWER
2,265,197 |
| by Each Reporting Person | (9) | SOLE DISPOSITIVE POWER
0 |
| With | (10) | SHARED DISPOSITIVE POWER
2,265,197 |

- (11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,265,197

- (12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
 [x] (1)

- (13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
5.9% (2)

(14)

TYPE OF REPORTING
PERSON
OO

(1) Excludes 38,356,094 shares of Class A Common Stock held by other Reporting Persons, issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons, and issuable upon exercise of stock options exercisable within 60 days after the date of this filing held by other Reporting Person as to which the James McCann 2005 Trust disclaims beneficial ownership. This report shall not be deemed an admission that such person is the beneficial owner of such securities.

(2) The percentage of beneficial ownership is based on 38,333,867 shares of Class A Common Stock outstanding as of June 12, 2017, which number includes 1,730,288 unvested restricted shares.

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CUSIP No. 68243Q106

(1) NAME OF REPORTING PERSONS

Matthew McCann 2005 Trust

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a) [x]

(b) []

(3) SEC USE ONLY

(4) SOURCE OF FUNDS
OO – See Item 3 of Statement
CHECK IF DISCLOSURE OF

(5) LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

(6) CITIZENSHIP OR PLACE OF ORGANIZATION

United States

Number of Shares (7) SOLE VOTING POWER
0

Beneficially Owned (8) SHARED VOTING POWER
2,265,196

by Each Reporting (9) SOLE DISPOSITIVE POWER
0

Person With (10) SHARED DISPOSITIVE POWER
2,265,196

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,265,196

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
 [x] (1)

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
5.9% (2)

(14)

TYPE OF REPORTING
PERSON
OO

(1) Excludes 38,356,095 shares of Class A Common Stock held by other Reporting Persons, issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons, and issuable upon exercise of stock options exercisable within 60 days after the date of this filing held by other Reporting Person as to which the Matthew McCann 2005 Trust disclaims beneficial ownership. This report shall not be deemed an admission that such person is the beneficial owner of such securities.

(2) The percentage of beneficial ownership is based on 38,333,867 shares of Class A Common Stock outstanding as of June 12, 2017, which number includes 1,730,288 unvested restricted shares.

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[CUSIP No. 68243Q106

- (1) NAME OF REPORTING PERSONS
The James F. McCann 2012 Family Trust – Portion I
- (2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
(a) [x]
(b) []
- (3) SEC USE ONLY
- (4) SOURCE OF FUNDS
OO – See Item 3 of Statement
- (5) CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []
- (6) CITIZENSHIP OR PLACE OF ORGANIZATION
United States

- | | | |
|--------------------|------|-------------------------------------|
| Number of Shares | (7) | SOLE VOTING POWER
0 |
| Beneficially Owned | (8) | SHARED VOTING POWER
492,368 |
| by Each Reporting | (9) | SOLE DISPOSITIVE POWER
0 |
| Person With | (10) | SHARED DISPOSITIVE POWER
492,368 |

- (11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
492,368
- (12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
 [x] (1)
- (13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
1.3% (2)

TYPE OF REPORTING

(14) PERSON
OO

(1) Excludes 40,128,923 shares of Class A Common Stock held by other Reporting Persons, issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons, and issuable upon exercise of stock options exercisable within 60 days after the date of this filing held by other Reporting Person as to which The James F. McCann 2012 Family Trust – Portion I disclaims beneficial ownership. This report shall not be deemed an admission that such person is the beneficial owner of such securities.

(2) The percentage of beneficial ownership is based on 38,333,867 shares of Class A Common Stock outstanding as of June 12, 2017, which number includes 1,730,288 unvested restricted shares.

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CUSIP No. 68243Q106

- (1) NAME OF REPORTING PERSONS
The James F. McCann 2012 Family Trust – Portion II
- (2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
(a) [x]
(b) []
- (3) SEC USE ONLY
- (4) SOURCE OF FUNDS
OO – See Item 3 of Statement
- (5) CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []
- (6) CITIZENSHIP OR PLACE OF ORGANIZATION
United States

- | | | |
|--------------------|------|-------------------------------------|
| Number of Shares | (7) | SOLE VOTING POWER
0 |
| Beneficially Owned | (8) | SHARED VOTING POWER
869,033 |
| by Each Reporting | (9) | SOLE DISPOSITIVE POWER
0 |
| Person With | (10) | SHARED DISPOSITIVE POWER
869,033 |

- (11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
869,033
- (12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
 [x] (1)
- (13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.27% (2)

TYPE OF REPORTING

(14) PERSON
OO

(1) Excludes 39,752,258 shares of Class A Common Stock held by other Reporting Persons, issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons, and issuable upon exercise of stock options exercisable within 60 days after the date of this filing held by other Reporting Person as to which The James F. McCann 2012 Family Trust – Portion II disclaims beneficial ownership. This report shall not be deemed an admission that such person is the beneficial owner of such securities.

(2) The percentage of beneficial ownership is based on 38,333,867 shares of Class A Common Stock outstanding as of June 12, 2017, which number includes 1,730,288 unvested restricted shares.

CUSIP No. 68243Q106

(1) NAME OF REPORTING PERSONS
The McCann Family Limited Partnership

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)

(a) [x]

(b) []

(3) SEC USE ONLY

(4) SOURCE OF FUNDS
OO – See Item 3 of Statement

(5) CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) []

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
United States

Number of Shares (7) SOLE VOTING POWER
0

Beneficially Owned (8) SHARED VOTING POWER
2,000,000 (1)

by Each Reporting (9) SOLE DISPOSITIVE POWER
0

Person With (10) SHARED DISPOSITIVE POWER
2,000,000 (1)

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
2,000,000 (1)

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
 [x] (2)

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
5.0% (3)

TYPE OF REPORTING

(14) PERSON
PN

(1) All shares are Class B Common Stock. The Class B Common Stock has ten votes per share on all matters subject to the vote of the stockholders. The Class B Common Stock is convertible at any time into an equal number of shares of Class A Common Stock at the option of the holder thereof.

(2) Excludes 38,621,291 shares of Class A Common Stock held by other Reporting Persons, issuable upon conversion of an equal number of shares of Class B Common Stock held by other Reporting Persons, and issuable upon exercise of stock options exercisable within 60 days after the date of this filing held by other Reporting Person as to which The McCann Family Limited Partnership disclaims beneficial ownership. This report shall not be deemed an admission that such person is the beneficial owner of such securities.

(3) The percentage of beneficial ownership is based on (a) 38,333,867 shares of Class A Common Stock outstanding as of June 12, 2017, which number includes 1,730,288 unvested restricted shares, plus (b) the 2,000,000 shares of Class B Common Stock reported in 11 above.

CUSIP No. 68243Q106

- NAME OF REPORTING PERSONS
 (1) The 1999 McCann Family Limited Partnership
- CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)
 (2) (a) (b)
- SEC USE ONLY
 (3)
- SOURCE OF FUNDS
 (4) OO – See Item 3 of Statement
- CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)
 (5)
- CITIZENSHIP OR PLACE OF ORGANIZATION
 (6) United States
- Number of Shares (7) SOLE VOTING POWER
 0
- Beneficially Owned (8) SHARED VOTING POWER
 3,875,000 (1)
- by Each Reporting Person (9) SOLE DISPOSITIVE POWER
 0
- With (10) SHARED DISPOSITIVE POWER
 3,875,000 (1)
- AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
 (11) 3,875,000 (1)
- CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
 (12) (2)
- PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
 (13) 9.2% (3)

(14) TYPE OF REPORTING
PERSON
PN

(1) > - 0.00% 55,819,400 24.28% 55,819,400 15.34% ADR Free
Float - 0.00% 95,792,745 41.66% 95,792,745 26.32% Treasury 1,480,800 1.10% - 0.00% 1,480,800 0.41% Free
Float in
Bovespa 63,643,738 47.48% 78,325,380 34.06% 141,969,118 39.01% **Total 134,031,688 100.00% 229,937,525 100.00%**

Ownership Breakdown Brasil Telecom S.A.

Jun/08	Common Shares	%	Preferred Shares	%	Total Shares	%
Brasil Telecom Participações	247,317,180	99.09%	120,911,021	38.83%	368,228,201	65.64%
Copart 2 Participações		0.00%	45,590,300	14.64%	45,590,300	8.13%
ADR Free Float	-	0.00%	32,166,963	10.33%	32,166,963	5.73%
Treasury	-	0.00%	13,516,016	4.34%	13,516,016	2.41%
Free Float at Bovespa	2,279,869	0.91%	99,168,940	31.85%	101,448,809	18.09%
Total	249,597,049	100.00%	311,353,240	100.00%	560,950,289	100.00%

Tele Norte Leste Participações and its subsidiary, Telemar Norte Leste S.A., acquired 24.28% of the preferred shares issued by Brasil Telecom Participações S.A. through their indirect subsidiary, Copart 1 Participações S.A., and 14.64% of the preferred shares issued by Brasil Telecom S.A. through their indirect subsidiary, Copart 2 Participações S.A.

On June 19, 2008, the Company published Tender Offer Notices for the Acquisition of Preferred Shares of Brasil Telecom Participações S.A. and Brasil Telecom S.A., for, and on behalf of Tele Norte Leste Participações S.A. and Telemar Norte Leste S.A., through Copart 1 Participações S.A. and Copart 2 Participações S.A.. The full text of the Public notice is available at www.brasiltelecom.com.br/ir.

LAW 11,638/07

Law 11,638/07 established several amendments about the accounting issues and the preparation of accounting statements in Brazil, in order to align them to the International Financial Reporting Standards (IFRS). The main amendments introduced by this Law are enforceable as of 2008 and refer to the:

- Substitution of the Statement of Origin and Allocation of Resources (DOAR - *Demonstração das Origens e Aplicações de Recursos*) by the Cash Flow Statement (DFC - *Demonstração de Fluxos de Caixa*);
- Obligation to prepare the Value-Added Statement (DVA - *Demonstração do Valor Adicionado*);
- Possibility of including tax accounting in commercial bookkeeping, and segregation of commercial and tax statements;
- Creation of the subgroup Asset Appraisal Adjustment in shareholders' equity and the group's Intangible items in permanent assets;
- Standardization of the criteria for the evaluation and classification of financial instruments, including derivatives;
- Adjustment to present value (AVP) for long-term asset and liability transactions and relevant short-term transactions;
- Booking of the assets from commercial lease transactions in the fixed asset column;
- Obligation to evaluate the level of recovery of fixed assets;
- Amendment of the parameters for valuation for subsidiaries according to the equity method;
- Possibility of creating a Tax Benefit Reserve;
- Obligation to book assets at market value in case of incorporation, mergers or spin-offs that involve changes in control; and
- Elimination of the Revaluation Reserve.

Due to the disclosure of the accounting effects of the adaptation to Law 11638/07, the values to be paid related to the authorizations for exploitation of the 3G network were adjusted to present value. The effects on the financial statements of Brasil Telecom refer to the application of the items regulated by Law 11,638/07 result from:

i. Commercial lease agreements, whose leased assets should be booked in line with international accounting standards;
and

ii. Remuneration in the form of shares for managers and employees.

Effects of Law 11,638/07

Shareholders' Equity (R\$ Millions)	6/30/2008	3/31/2008
Law 6,404/76 Presentation	5,605.3	5,307.8
Adaptation Effects	(14.1)	(11.3)
Pro Forma - Law 11,638/07	5,591.2	5,296.6

Period Net Income (R\$ Millions)	6/30/2008	3/31/2008
Law 6,404/76 Presentation	516.5	248.3
Adaptation Effects	(4.2)	(1.4)
Pro Forma - Law 11,638/07	512.3	246.9

Brasil Telecom already segregates intangible items in permanent assets and publishes DFC and DVA, the latter accompanying annual accounting statements. The other changes in Law 11,638/07 and CVM Instruction 469/08 have already been adopted or are not applicable to the Company.

LAUNCH OF THE IR WEBSITE FOR MOBILE PHONES

Brasil Telecom launched the mobile version of the IR website, which allows clients and investors to access share prices and the news about Brasil Telecom with mobility and versatility. Click on the link: mobile.brasiltelecom.com.br/ir.

ATTACHMENTS**Operating Data**

	2Q07	1Q08	2Q08	Δ Quarter	Δ 12 Months
FIXED LINE PLANT					
Lines Installed (Thousand)	10,375.2	10,380.1	10,393.7	0.1%	0.2%
Additional Lines Installed (Thousand)	(13.3)	3.6	13.6	278.5%	N.A.
Lines in Service - LIS (Thousand)	8,129.4	8,036.3	8,104.5	0.8%	-0.3%
Additional LIS (Thousand)	(150.2)	2.4	68.2	N.A	N.A.
Active Lines (LIS - Blocked Lines)	7,901.5	7,825.6	7,932.4	1.4%	0.4%
Blocked Lines	227.9	210.7	172.1	-18.3%	-24.5%
Average LIS (Thousand)	8,204.5	8,035.1	8,070.4	0.4%	-1.6%
LIS/100 Inhabitants	18.4	18.2	18.4	0.8%	-0.3%
Public Telephones/1,000 Inhabitants	6.3	6.3	6.3	-0.2%	1.3%
Public Phones/100 Lines Installed	2.7	2.7	2.7	-0.4%	1.1%
Utilization Rate	78.4%	77.4%	78.0%	0.6 p.p.	-0.4 p.p.
Alternative Plans					
Alternative Local Plans (thousand)	3,331.7	3,603.8	3,736.5	3.7%	12.2%
Alternative Long Distance Plans (thousand)	682.7	845.1	871.1	3.1%	27.6%
Single Bill Plan	1,286.9	1,751.8	1,923.5	9.8%	49.5%
Indicators - Traffic					
Pulsos Excedentes/LMES/Mês	49.4	0.0	0.0	N.A.	N.A.
Minutos Excedentes/LMES/Mês	20.3	101.0	108.4	7.4%	N.A.
Minutos LDN/LMES/Mês	56.1	56.3	56.2	-0.2%	0.1%
Minutos Fixo-Móvel/LMES/Mês	41.4	43.0	39.7	-7.6%	-4.0%
Market Share- Long Distance					
Intra-sector	90.5%	89.7%	89.8%	0.0 p.p.	-0.8 p.p.
Intra-region	86.0%	84.6%	85.0%	0.4 p.p.	-1.0 p.p.
Inter-region	63.7%	64.3%	65.2%	0.9 p.p.	1.5 p.p.
International	36.0%	38.8%	44.0%	5.2 p.p.	8.0 p.p.
ARPU - Fixed Telephony	77.86	78.89	76.84	-2.6%	-1.3%

BROADBAND

ADSL Users (Thousand)	1,453.4	1,637.3	1,709.8	4.4%	17.6%
Net Additions (Thousand)	69.9	69.5	72.6	4.4%	3.8%
ADSL ARPU	49.0	46.7	48.6	3.9%	-0.9%
MOBILE TELEPHONY					
Clients (Thousand)	3,768.6	4,577.6	5,015.4	9.6%	33.1%
Post-Paid	890.2	829.3	832.5	0.4%	-6.5%
Pre-Paid	2,878.3	3,748.2	4,182.9	11.6%	45.3%
Net Additions (Thousand)	130.5	314.9	437.8	39.0%	235.6%
Post-Paid	(76.7)	(26.4)	3.1	N.A.	N.A.
Pre-Paid	207.2	341.3	434.7	27.4%	109.8%
Gross Additions (Thousand)	623.5	668.9	943.4	41.0%	51.3%
Post-Paid	98.6	75.1	96.7	28.8%	-1.9%
Pre-Paid	524.9	593.8	846.7	42.6%	61.3%
Cancellations (Thousand)	493.0	354.0	505.6	42.8%	2.5%
Post-Paid	175.3	101.5	93.6	-7.8%	-46.6%
Pre-Paid	317.7	252.5	412.0	63.2%	29.7%
Annualized Churn	53.3%	32.0%	42.2%	31.6%	-20.8%
Post-Paid	75.5%	48.2%	45.1%	-6.5%	-40.3%
Pre-Paid	45.8%	28.2%	41.6%	47.2%	-9.3%
SAC (R\$)	89.7	77.6	77.4	-0.3%	-13.7%
Mobile Telephony ARPU	33.8	29.8	29.2	-1.9%	-13.5%
Served Localities	830	873	873	0.0%	5.2%
% of Population Covered	87%	88%	88%	0.8 p.p.	0.9 p.p.
Base Stations	2,434	2,645	3,481	31.6%	43.0%
Switches	10	11	11	0.0%	10.0%

Consolidated Income Statement Brasil Telecom Participações S.A.

R\$ Million	2Q07	1Q08	2Q08	Δ Quarter	Δ 12 Months
GROSS REVENUES	3,972.9	4,036.1	4,179.1	3.5%	5.2%
FIXED TELEPHONY	2,775.3	2,779.0	2,753.7	-0.9%	-0.8%
Local Service	1,634.4	1,588.8	1,613.6	1.6%	-1.3%
Public Telephony	140.4	134.1	120.4	-10.2%	-14.2%
Long Distance Service	727.6	763.6	713.0	-6.6%	-2.0%
Interconnection	82.4	81.4	92.2	13.3%	11.9%
Lease of Means	86.0	103.6	105.0	1.3%	22.0%
Supplementary and Value Added Services	95.9	99.5	101.6	2.1%	5.9%
Other	8.6	7.9	8.0	1.2%	-7.2%
MOBILE TELEPHONY	511.5	466.1	526.0	12.9%	2.8%
Services	428.8	426.5	466.8	9.4%	8.9%
Merchandise Sales (Handsets and Accessories)	82.7	39.5	59.2	49.8%	-28.4%
DATA COMMUNICATIONS	686.0	791.0	899.4	13.7%	31.1%
Deductions	(1,229.5)	(1,274.1)	(1,355.8)	6.4%	10.3%
NET REVENUES	2,743.3	2,762.0	2,823.3	2.2%	2.9%
OPERATING COSTS AND EXPENSES	(1,770.7)	(1,851.2)	(1,691.4)	-8.6%	-4.5%
Personnel	(156.2)	(216.7)	(219.0)	1.0%	40.2%
Materials	(101.7)	(75.4)	(98.7)	30.8%	-3.0%
Subcontracted Services	(562.4)	(540.9)	(534.4)	-1.2%	-5.0%
Interconnection	(570.4)	(563.6)	(554.8)	-1.6%	-2.7%
Advertising and Marketing	(35.6)	(42.4)	(40.3)	-5.0%	13.3%
Provisions and Losses	(271.6)	(279.1)	(238.0)	-14.7%	-12.4%
Other	(72.7)	(133.0)	(6.3)	-95.3%	-91.4%
EBITDA	972.7	910.7	1,131.9	24.3%	16.4%
EBITDA Margin	35.5%	33.0%	40.1%	7.1 p.p.	4.6 p.p.
Depreciation and Amortization	(626.6)	(546.4)	(530.2)	-3.0%	-15.4%
EARNINGS BEFORE FINANCIAL RESULT (EBIT)	346.1	364.4	601.7	65.1%	73.9%
Financial Result	(16.6)	(242.8)	(19.6)	-91.9%	18.3%
Financial Revenues	144.0	218.7	167.9	-23.2%	16.6%
Financial Expenses	(160.6)	(194.3)	(187.6)	-3.5%	16.8%
Interest on Equity	-	(267.2)	-	N.A.	N.A.
EARNINGS AFTER FINANCIAL RESULT	329.5	121.5	582.0	378.9%	76.7%

Non-Operating Revenues (Expenses)	2.7	17.0	(8.3)	N.A.	N.A.
Goodwill Amortization	(0.0)	-	-	N.A.	N.A.
Other	2.7	17.0	(8.3)	N.A.	N.A.
EARNINGS BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES	332.1	138.6	573.8	314.1%	72.8%
Income and Social Contribution Taxes	(129.0)	(52.4)	(214.1)	308.9%	66.0%
EARNINGS BEFORE PROFIT SHARING	203.2	86.2	359.7	317.2%	77.0%
Minority Interest	(57.7)	(105.1)	(105.2)	0.1%	82.3%
EARNINGS BEFORE REVERSION OF INTEREST ON EQUITY	145.5	(18.9)	254.4	N.A.	74.9%
Reversion of Interest on Equity	-	267.2	-	N.A.	N.A.
NET INCOME	145.5	248.3	254.4	2.5%	74.9%
Net Income/shares - R\$	0.4013	0.6850	0.7019	2.5%	74.9%
Net Income/ADR - US\$	1.0417	1.9582	2.2047	12.6%	111.7%

Consolidated Costs and Expenses **Brasil Telecom Participações S.A.**

R\$ Million	2Q07	1Q08	2Q08	Δ Quarter	Δ 12 Months
GROSS REVENUES	3,972.9	4,036.1	4,179.1	3.5%	5.2%
Deductions	(1,229.5)	(1,274.1)	(1,355.8)	6.4%	10.3%
NET REVENUES	2,743.3	2,762.0	2,823.3	2.2%	2.9%
Costs	(1,601.8)	(1,555.7)	(1,545.6)	-0.6%	-3.5%
Personnel	(41.8)	(93.2)	(89.7)	-3.7%	114.6%
Materials	(89.5)	(63.4)	(78.2)	23.3%	-12.7%
Subcontracted Services	(802.0)	(801.9)	(796.7)	-0.7%	-0.7%
Interconnection	(570.4)	(563.6)	(554.8)	-1.6%	-2.7%
Other	(231.6)	(238.3)	(241.9)	1.5%	4.5%
Depreciation and Amortization	(521.4)	(444.4)	(428.9)	-3.5%	-17.8%
Other	(147.1)	(152.9)	(152.3)	-0.4%	3.5%
GROSS PROFIT	1,141.5	1,206.2	1,277.7	5.9%	11.9%
Sales Expenses	(275.3)	(245.1)	(228.0)	-7.0%	-17.2%
Personnel	(61.6)	(62.0)	(63.7)	2.8%	3.4%
Materials	(11.3)	(11.3)	(19.4)	71.0%	70.9%
Subcontracted Services	(179.8)	(144.5)	(117.1)	-19.0%	-34.9%
Advertising and Marketing	(35.6)	(42.4)	(40.3)	-5.0%	13.3%
Other	(144.2)	(102.1)	(76.8)	-24.8%	-46.7%
Depreciation and Amortization	(4.7)	(4.6)	(4.7)	1.6%	-0.8%
Other	(17.9)	(22.7)	(23.1)	1.9%	29.0%
General and Administrative Expenses	(207.0)	(226.9)	(250.9)	10.6%	21.2%
Personnel	(46.8)	(54.0)	(58.6)	8.5%	25.3%
Materials	(0.6)	(0.5)	(0.9)	59.9%	48.1%
Subcontracted Services	(149.6)	(160.2)	(179.8)	12.3%	20.2%
Depreciation and Amortization	(6.3)	(7.2)	(7.1)	-2.4%	12.0%
Other	(3.7)	(5.0)	(4.6)	-8.6%	22.8%
Information Technology	(128.0)	(128.6)	(119.5)	-7.1%	-6.7%
Personnel	(6.0)	(7.6)	(7.0)	-7.8%	16.4%
Materials	(0.3)	(0.2)	(0.3)	52.2%	10.1%
Subcontracted Services	(37.1)	(40.3)	(35.9)	-11.0%	-3.2%
Depreciation and Amortization	(75.6)	(70.7)	(67.5)	-4.5%	-10.7%
Other	(9.1)	(9.7)	(8.8)	-10.0%	-3.3%
Provisions and Losses	(271.6)	(279.1)	(238.0)	-14.7%	-12.4%

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Doubtful Accounts	(112.5)	(119.8)	(96.5)	-19.5%	-14.2%
Contingencies	(159.2)	(159.3)	(141.5)	-11.2%	-11.1%
Other Operating Revenues (Exp.)	86.5	37.9	160.3	323.4%	85.3%
Goodwill Amortization	(18.6)	(19.4)	(22.1)	13.8%	19.0%
Other	105.1	57.3	182.4	218.4%	73.6%
EARNINGS BEFORE FINANCIAL RESULT (EBIT)	346.1	364.4	601.7	65.1%	73.9%

Consolidated Balance Sheet Brasil Telecom Participações S.A.

R\$ Million	Jun/07	Mar/07	Jun/08
CURRENT ASSETS	6,781.7	7,829.8	7,339.7
Cash, Bank Accounts and High-liquid Investments	2,842.1	3,090.0	2,381.3
Temporary Investments	200.8	685.9	698.5
Government Title	-	54.9	-
Accounts Receivables (Net)	2,144.2	2,221.2	2,249.4
Deferred and Recoverable Taxes	1,111.5	1,090.1	1,264.4
Other Recoverable Amounts	328.6	523.9	587.3
Inventory	36.7	37.9	52.7
Contractual Retentions	-	-	-
Other	117.8	126.0	106.1
LONG TERM ASSETS	2,285.1	3,204.0	3,626.3
Loans and Financing	6.9	6.0	5.8
Deferred and Recoverable Taxes	1,597.2	1,802.9	1,887.4
Other	681.1	1,395.1	1,733.1
PERMANENT ASSETS	7,339.8	6,629.1	6,887.4
Investment (Net)	292.7	172.8	131.4
Property, Plant and Equipment (Net)	5,860.6	5,304.7	5,246.3
Property, Plant and Equipment (Gross)	26,309.6	27,008.4	27,305.7
Accumulated Depreciation	(20,449.0)	(21,703.7)	(22,059.4)
Intangible (Net)	1,073.5	1,049.5	1,429.2
Property, Plant and Equipment (Gross)	2,430.9	2,653.9	3,135.6
Accumulated Depreciation	(1,357.4)	(1,604.4)	(1,706.4)
Deferred Assets (Net)	112.9	102.2	80.5
TOTAL ASSETS	16,406.6	17,663.0	17,853.4
CURRENT LIABILITIES	4,068.3	4,865.4	4,671.2
Loans and Financing	782.6	514.2	521.4
Suppliers	1,293.4	1,376.4	1,409.5
Taxes and Contributions	1,005.1	898.5	1,062.1
Dividends Payable	365.4	1,248.0	338.3
Provisions	191.6	257.6	311.9
Salaries and Benefits	129.1	120.1	161.6
Consignment for Third Parties	108.1	145.0	126.9
Authorization for Services Exploration	71.9	100.0	522.2
Other	121.0	205.7	217.2
LONG TERM LIABILITIES	5,074.4	5,637.8	5,613.6

Loans and Financing	3,520.3	3,830.1	3,715.1
Provisions	1,141.4	1,293.0	1,296.5
Taxes and Contributions	87.0	217.9	249.5
Authorization for Services Exploration	221.7	183.3	184.6
Other	104.0	113.5	167.9
DEFERRED INCOME	-	-	-
MINORITY INTEREST	1,858.5	1,851.9	1,963.4
SHAREHOLDERS' EQUITY	5,405.3	5,307.8	5,605.3
Capital Stock	2,596.3	2,596.3	2,596.3
Capital Reserves	309.2	309.2	309.2
Profit Reserves	306.3	266.0	266.0
Retained Earnings	2,214.4	2,157.3	2,454.7
Treasury Shares	(20.8)	(20.8)	(20.8)
TOTAL LIABILITIES	16,406.6	17,663.0	17,853.4

* In compliance with CVM Deliberation 488 and 489 the line of Intangible Permanent Asset was created

Balance Sheet Holding Brasil Telecom Participações S.A.

R\$ Million	Jun/07	Mar/08	Jun/08
CURRENT ASSETS	1,577.2	2,208.8	1,595.8
Cash, Bank Accounts and High-liquid Investments	1,336.9	1,487.0	1,377.4
Deferred Taxes	93.2	86.8	67.7
Other Recoverable Amounts	1.6	13.0	5.0
Dividends / Interest on Equity Receivable	140.1	614.3	140.1
Other	5.4	7.7	5.6
LONG TERM ASSETS	238.1	329.6	301.8
Loans and Financing	-	-	-
Deferred and Recoverable Taxes	232.7	323.9	296.0
Other	5.4	5.7	5.8
PERMANENT ASSETS	3,850.8	3,826.9	4,040.5
Investment (Net)	3,849.9	3,826.2	4,039.8
Property, Plant and Equipment (Net)	0.9	0.7	0.7
Property, Plant and Equipment (Gross)	52.5	52.5	52.5
Accumulated Depreciation	(51.6)	(51.7)	(51.8)
Intangible (Net)	0.0	0.0	0.0
Property, Plant and Equipment (Gross)	3.9	3.9	3.9
Accumulated Depreciation	(3.9)	(3.9)	(3.9)
TOTAL ASSETS	5,666.1	6,365.3	5,938.1
CURRENT LIABILITIES	253.1	1,032.2	323.6
Suppliers	0.3	0.3	0.5
Taxes and Contributions	23.6	39.7	39.7
Dividends Payable	228.9	888.1	208.0
Consignment for Third Parties	0.1	28.1	0.1
Other	0.3	76.0	75.3
LONG TERM LIABILITIES	7.6	25.3	9.2
Taxes and Contributions	3.1	20.0	5.4
Other	4.5	5.2	3.8
SHAREHOLDERS' EQUITY	5,405.3	5,307.8	5,605.3
Capital Stock	2,596.3	2,596.3	2,596.3
Capital Reserves	309.2	309.2	309.2
Profit Reserves	306.3	266.0	266.0

Retained Earnings	2,214.4	2,157.3	2,454.7
Treasury Shares	(20.8)	(20.8)	(20.8)
TOTAL LIABILITIES	5,666.1	6,365.3	5,938.1

* In compliance with CVM Deliberation 488 and 489 the line of Intangible Permanent Asset was created

Consolidated Cash Flow Brasil Telecom Participações S.A.

R\$ Million	2Q07	1Q08	2Q08	Δ Quarter	Δ 12 Months
OPERATING ACTIVITIES					
(+) Net Income of the Period	145.5	248.3	254.4	2.5%	74.9%
(+) Minority Participation	57.7	105.1	105.2	0.0	82.3%
(+) Items with no Cash Effects	926.2	716.4	784.3	0.1	-15.3%
Depreciation and Amortization	626.6	546.4	530.2	-3%	-15.4%
Losses with Accounts Receivables	112.5	119.8	96.5	-19.5%	-14.2%
Provision for Contingencies	159.2	159.3	141.5	-11.2%	-11.1%
Provision for Pension Funds	(27.2)	32.7	0.3	-99.2%	N.A.
Deferred Taxes	55.5	(126.9)	(2.2)	-98.3%	N.A.
Tax Recovery	-	-	-	N.A.	
Results from the Write-off of Permanent Assets	(0.4)	(14.4)	(25.9)	79.8%	
Gains/Losses in Investments	-	(0.4)	43.9		
(-) Equity Changes	(275.3)	(516.6)	(252.6)	-51.1%	-8.2%
Clients' Accounts Receivable	(99.0)	(151.3)	(124.7)	-17.6%	26.0%
Inventories	12.4	(5.2)	(14.9)	187.6%	N.A.
Contract Retentions	-	-	-	N.A.	
Personnel, Charges and Social Benefits	13.9	5.6	17.7	217.8%	27.1%
Accounts Payable and Provisioned Expenses	40.4	35.4	(103.8)	N.A.	N.A.
Taxes	68.8	(119.9)	(26.7)	-77.8%	N.A.
Financial Expenses	(62.0)	(33.0)	(45.2)	36.6%	-27.1%
Authorization for Services Exploration	(87.2)	29.8	23.3	-21.8%	N.A.
Provision for Contingencies	(109.9)	(55.7)	(69.2)	24.3%	-37.1%
Provision for Pension Funds	(73.2)	(77.8)	22.9	N.A.	N.A.
Other Assets and Liabilities' Accounts	20.5	(144.6)	67.9	N.A.	231.1%
(=) Cash Flow from Operating Activities	854.0	553.2	891.3	61.1%	4.4%
INVESTMENT ACTIVITIES					
Temporary Investments	(201.0)	(212.1)	42.0	N.A.	N.A.
Funds from Sales of Permanent Assets	2.1	24.9	52.3	110.1%	N.A.
Court Deposits	(215.9)	(328.8)	(479.2)	45.7%	122.0%
Investments in Permanent Assets	(327.4)	(305.4)	(292.6)	-4.2%	-10.6%
(=) Cash Flow from Investment Activities	(742.1)	(821.4)	(677.4)	-17.5%	-8.7%
FINANCING ACTIVITIES					
Dividends/Interests on Equity paid in the Period	(491.2)	(0.8)	(860.0)	N.A.	75.1%

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Loans and Financing	(702.5)	(5.6)	(62.6)	N.A.	-91.1%
Loans Obtained	-	100.0	-	N.A.	
Loans Paid	(702.5)	(105.6)	(62.6)	-40.7%	-91.1%
(=) Cash Flow from Financing Activities	(1,193.7)	(6.4)	(922.6)	N.A.	-22.7%
CASH FLOW OF THE PERIOD	(1,081.8)	(274.6)	(708.8)	158.1%	-34.5%
CASH, BANK ACCOUNTS and HIGH-LIQUID INVESTMENTS					
Current Balance	2,842.1	3,090.0	2,381.3	-22.9%	-16.2%
Previous Balance	3,923.9	3,364.5	3,090.0	-8.2%	-21.3%
Variation	(1,081.7)	(274.6)	(708.7)	158%	-34.5%
OPERATING CASH FLOW	854.0	553.2	891.3	61.1%	4.4%
(+) Investments on Permanent Assets (includes Investment Suppliers)	(327.4)	(305.4)	(292.6)	-4.2%	-10.6%
(=) FREE CASH FLOW	526.7	247.8	598.7	141.6%	13.7%
SUPPLEMENTARY INFORMATION TO THE CASH FLOW					
Income and Social Contribution Taxes Paid	64.4	117.5	205.4	74.8%	219.2%
Interest Paid on Loans and Financing	111.0	81.0	116.3	43.6%	4.8%

Consolidated Income Statement Brasil Telecom S.A.

R\$ Million	2Q07	1Q08	2Q08	Δ Quarter	Δ 12 Months
GROSS REVENUES	3,972.9	4,036.1	4,179.1	1.8%	5.2%
FIXED TELEPHONY	2,775.3	2,779.0	2,753.7	-3.4%	-0.8%
Local Service	1,634.4	1,588.8	1,613.6	-2.8%	-1.3%
Public Telephony	140.4	134.1	120.4	-10.2%	-14.2%
Long Distance Service	727.6	763.6	713.0	-6.6%	-2.0%
Interconnection	82.4	81.4	92.2	13.3%	11.9%
Lease of Means	86.0	103.6	105.0	1.3%	22.0%
Supplementary and Value Added Services	95.9	99.5	101.6	2.1%	5.9%
Other	8.6	7.9	8.0	1.2%	-7.2%
MOBILE TELEPHONY	511.5	466.1	526.0	12.9%	2.8%
Services	428.8	426.5	466.8	9.4%	8.9%
Merchandise Sales (Handsets and Accessories)	82.7	39.5	59.2	49.8%	-28.4%
DATA COMMUNICATIONS	686.0	791.0	899.4	13.7%	31.1%
Deductions	(1,229.5)	(1,274.1)	(1,355.8)	6.4%	10.3%
NET REVENUES	2,743.3	2,762.0	2,823.3	-0.3%	2.9%
OPERATING COSTS AND EXPENSES	(1,767.8)	(1,845.9)	(1,693.4)	-8.3%	-4.2%
Personnel	(155.1)	(215.6)	(217.8)	1.0%	40.4%
Materials	(101.7)	(75.4)	(98.7)	30.8%	-3.0%
Subcontracted Services	(561.7)	(539.2)	(533.0)	-1.1%	-5.1%
Interconnection	(570.4)	(563.6)	(554.8)	-1.6%	-2.7%
Advertising and Marketing	(35.6)	(42.4)	(40.3)	-5.0%	13.3%
Provisions and Losses	(271.5)	(278.9)	(239.4)	-14.1%	-11.8%
Other	(71.7)	(130.8)	(9.4)	-92.8%	-86.9%
EBITDA	975.6	916.0	1,129.9	14.5%	15.8%
EBITDA Margin	35.6%	33.2%	40.0%	5.2 p.p.	4.5 p.p.
Depreciation and Amortization	(624.9)	(544.7)	(528.6)	-3.0%	-15.4%
EARNINGS BEFORE FINANCIAL RESULT (EBIT)	350.7	371.3	601.3	36.1%	71.5%
Financial Result	(61.9)	(247.2)	(61.8)	-75.0%	-0.1%
Financial Revenues	95.3	168.0	123.7	-26.4%	29.8%
Financial Expenses	(157.2)	(170.2)	(185.5)	9.0%	18.0%
Interest on Equity	-	(245.0)	-	N.A.	N.A.
EARNINGS AFTER FINANCIAL RESULT	288.7	124.1	539.5	177.3%	86.8%
Non-Operating Revenues (Expenses)	2.2	2.7	(31.8)	N.A.	N.A.
Goodwill Amortization	(0.0)	-	-	N.A.	N.A.

Other	2.2	2.7	(31.8)	N.A.	N.A.
EARNINGS BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES	290.9	126.8	507.7	157.4%	74.5%
Income and Social Contribution Taxes	(114.5)	(51.3)	(186.3)	263.5%	62.8%
EARNINGS BEFORE PROFIT SHARING	176.5	75.5	321.4	120.2%	82.1%
Minority Interest	(0.4)	0.8	(0.1)	N.A.	-78.1%
EARNINGS BEFORE REVERSION OF INTEREST ON EQUITY	176.1	76.4	321.3	118.9%	82.4%
Reversion of Interest on Equity	-	245.0	-	N.A.	N.A.
NET INCOME	176.1	321.4	321.3	-18.0%	82.4%
Net Income/shares - R\$	0.3218	0.5872	0.5869	-18.0%	82.4%
Net Income/ADR - US\$	0.5250	0.9945	1.0067	-17.0%	91.8%

Consolidated Balance Sheet Brasil Telecom S.A.

R\$ Million	Jun/07	Mar/08	jun/08
CURRENT ASSETS	5,346.4	6,236.8	5,889.2
Cash, Bank Accounts and High-liquid Investments	1,505.2	2,087.7	1,496.9
Temporary Investments	200.8	201.2	205.6
Government Title	-	54.9	-
Accounts Receivables (Net)	2,144.2	2,221.2	2,249.4
Deferred and Recoverable Taxes	1,018.3	1,003.4	1,196.7
Other Recoverable Amounts	328.9	512.3	587.5
Inventory	36.7	37.9	52.7
Contractual Retentions	-	-	-
Other	112.4	118.2	100.5
LONG TERM ASSETS	2,047.0	2,874.4	3,324.5
Loans and Financing	6.9	6.0	5.8
Deferred and Recoverable Taxes	1,364.5	1,479.0	1,591.4
Other	675.6	1,389.4	1,727.3
PERMANENT ASSETS	7,315.0	6,611.9	6,877.6
Investment (Net)	268.9	156.2	122.3
Property, Plant and Equipment (Net)	5,859.7	5,304.0	5,245.7
Property, Plant and Equipment (Gross)	26,257.1	26,956.0	27,253.3
Accumulated Depreciation	(20,397.4)	(21,652.0)	(22,007.6)
Intangible (Net)	1,073.5	1,049.5	1,429.2
Property, Plant and Equipment (Gross)	2,427.0	2,650.0	3,131.7
Accumulated Depreciation	(1,353.5)	(1,600.5)	(1,702.6)
Deferred Assets (Net)	112.9	102.2	80.5
TOTAL ASSETS	14,708.4	15,723.1	16,091.3
CURRENT LIABILITIES	3,957.1	4,448.9	4,492.9
Loans and Financing	782.6	514.2	521.4
Suppliers	1,293.3	1,376.1	1,409.0
Taxes and Contributions	981.5	858.8	1,022.4
Dividends Payable	276.7	974.3	270.4
Provisions	191.6	257.6	311.9
Salaries and Benefits	129.0	120.0	161.6
Consignment for Third Parties	108.1	116.8	126.9
Authorization for Services Exploration	71.9	100.0	522.2
Other	122.4	131.1	147.1

LONG TERM LIABILITIES	5,066.8	5,612.6	5,604.4
Loans and Financing	3,520.3	3,830.1	3,715.1
Provisions	1,137.0	1,287.8	1,292.7
Taxes and Contributions	83.8	197.9	244.1
Authorization for Services Exploration	221.7	183.3	184.6
Other	104.0	113.5	167.9
DEFERRED INCOME	-	-	-
MINORITY INTEREST	11.0	7.6	(2.7)
SHAREHOLDERS' EQUITY	5,673.4	5,654.0	5,996.8
Capital Stock	3,470.8	3,470.8	3,470.8
Capital Reserves	1,482.6	1,483.2	1,483.5
Profit Reserves	309.3	349.2	349.2
Retained Earnings	565.4	504.4	846.2
Treasury Shares	(154.7)	(153.5)	(152.9)
TOTAL LIABILITIES	14,708.4	15,723.1	16,091.3

* In compliance with CVM Deliberation 488 and 489 the line of Intangible Permanent Asset was created

Cash Flow Brasil Telecom S.A.

R\$ Million	2Q07	1Q08	2Q08	Δ Quarter	Δ 12 Months
OPERATING ACTIVITIES					
(+) Net Income of the Period	176.1	321.4	321.3	0.0%	82.4%
(+) Minority Participation	0.4	(0.8)	0.1	N.A.	-77.8%
(+) Items with no Cash Effects	892.7	767.2	743.3	(0.0)	-16.7%
Depreciation and Amortization	624.9	544.7	528.6	-3%	-15.4%
Losses with Accounts Receivables	112.5	119.8	96.5	-19.5%	-14.2%
Provision for Contingencies	159.0	159.0	142.9	-10.1%	-10.1%
Provision for Pension Funds	(27.2)	32.7	0.3	-99.2%	N.A.
Deferred Taxes	23.4	(88.1)	(31.5)	-64.3%	N.A.
Results from the Write-off of Permanent Assets	0.1	(0.9)	6.5	N.A.	N.A.
(-) Equity Changes	(247.2)	(551.4)	(294.1)	-46.7%	19.0%
Clients' Accounts Receivable	(99.0)	(151.3)	(124.7)	-17.6%	26.0%
Inventories	12.4	(5.2)	(14.9)	187.6%	N.A.
Contract Retentions	-	-	-	N.A.	N.A.
Personnel, Charges and Social Benefits	13.9	5.6	17.7	217.7%	27.1%
Accounts Payable and Provisioned Expenses	40.5	29.8	(515.4)	N.A.	N.A.
Taxes	98.5	(160.5)	(47.3)	-70.5%	N.A.
Financial Expenses	(62.0)	(33.0)	(45.2)	36.6%	-27.1%
Authorization for Services Exploration	(87.2)	29.8	423.6	N.A.	N.A.
Provision for Contingencies	(109.9)	(55.7)	(69.2)	24.3%	-37.1%
Provision for Pension Funds	(73.2)	(77.8)	22.9	N.A.	N.A.
Other Assets and Liabilities' Accounts	18.8	(133.1)	58.4	N.A.	210.5%
(=) Cash Flow from Operating Activities	822.0	536.4	770.5	43.7%	-6.3%
INVESTMENT ACTIVITIES					
Temporary Investments	(201.0)	(202.8)	50.3	N.A.	N.A.
Funds from Sales of Permanent Assets	2.1	8.7	14.2	63.4%	N.A.
Court Deposits	(215.8)	(320.1)	(461.4)	44.2%	113.8%
Investments in Permanent Assets	(327.4)	(305.4)	(253.4)	-17.0%	-22.6%
(=) Cash Flow from Investment Activities	(742.0)	(819.6)	(650.3)	-20.7%	-12.4%
FINANCING ACTIVITIES					
Dividends/Interests on Equity paid in the Period	(350.9)	(0.6)	(683.4)	N.A.	94.8%
Loans and Financing	(702.5)	(5.6)	(62.6)	N.A.	-91.1%
Loans Obtained	-	100.0	-	N.A.	N.A.

Loans Paid	(702.5)	(105.6)	(62.6)	-40.7%	-91.1%
(=) Cash Flow from FinancinH Activities	(1,053.4)	(6.2)	(746.0)	N.A.	-29.2%
CASH FLOW OF THE PERIOD	(973.4)	(289.4)	(625.8)	116.3%	-35.7%
CASH, BANK ACCOUNTS and HIHH-LIQUID INVESTMENTS					
Current Balance	1,505.2	2,087.7	1,496.9	-28.3%	-0.6%
Previous Balance	2,478.6	2,377.0	2,087.7	-12.2%	-15.8%
Variation	(973.4)	(289.4)	(590.8)	104%	-39.3%
OPERATINH CASH FLOW	822.0	536.4	770.5	43.7%	-6.3%
(+) Investments on Permanent Assets (includes Investment Suppliers)	(327.4)	(305.4)	(253.4)	-17.0%	-22.6%
(=) FREE CASH FLOW	494.7	231.0	517.2	123.9%	4.5%
SUPPLEMENTARY INFORMATION TO THE CASH FLOW					
Income and Social Contribution Taxes Paid	64.4	108.2	205.4	89.8%	2.2
Interest Paid on Loans and FinancinH	111.0	81.0	116.3	43.6%	4.8%

Income Statement BrT Móvel

R\$ Million	2Q07	1Q08	2Q08	Δ Quarter	Δ 12 Months
GROSS REVENUES	609.1	576.8	627.2	8.7%	3.0%
Services	526.4	537.2	567.9	5.7%	7.9%
Subscription	113.7	97.1	98.4	1.3%	-13.5%
Utilization	128.7	135.8	151.9	11.8%	18.0%
Interconnection	246.5	261.3	272.7	4.4%	10.6%
Other Revenues	11.3	9.3	9.1	-2.0%	-19.5%
Data Communications	26.2	33.7	35.8	6.5%	36.8%
Merchandise Sales (Handsets and Accessories)	82.7	39.5	59.2	49.8%	-28.4%
Deductions	(179.6)	(150.7)	(164.4)	9.1%	-8.4%
NET REVENUES	429.6	426.1	462.8	8.6%	7.7%
Services	380.5	397.9	422.5	6.2%	11.0%
Merchandise Sales	49.1	28.1	40.3	43.3%	-17.8%
OPERATING COSTS AND EXPENSES	(424.4)	(411.4)	(433.6)	5.4%	2.2%
Personnel	(17.8)	(17.1)	(18.8)	9.9%	5.6%
Materials	(78.8)	(56.7)	(81.4)	43.5%	3.3%
Subcontracted Services	(90.6)	(99.5)	(87.9)	-11.6%	-3.0%
Interconnection	(146.6)	(145.8)	(143.6)	-1.5%	-2.1%
Advertising and Marketing	(17.2)	(12.6)	(19.0)	51.3%	10.5%
Provisions and Losses	(20.5)	(21.4)	(13.9)	-34.9%	-31.8%
Other	(52.9)	(58.2)	(68.9)	18.4%	30.3%
EBITDA	5.2	14.7	29.2	98.8%	462.3%
EBITDA Margin	1.2%	3.4%	6.3%	2.9 p.p.	5.1 p.p.
Depreciation and Amortization	(95.2)	(107.4)	(114.3)	6.4%	20.0%
EARNINGS BEFORE FINANCIAL RESULT	(90.0)	(92.7)	(85.1)	-8.2%	-5.5%
Financial Result	17.2	25.8	24.2	-6.2%	40.7%
Financial Revenues	25.8	41.3	44.9	8.8%	73.9%
Financial Expenses	(8.6)	(15.5)	(20.7)	33.9%	139.9%
EARNINGS AFTER FINANCIAL RESULT	(72.8)	(66.9)	(60.9)	-9.0%	-16.4%
Non-Operating Revenues (Expenses)	1.3	(0.0)	0.9	N.A.	
EARNINGS BEFORE INCOME AND SOCIAL CONTRIBUTION TAXES	(71.6)	(66.9)	(59.9)	-10.4%	-16.2%
Income and Social Contribution Taxes	23.7	22.5	20.2	-10.2%	-14.7%

NET EARNINGS (LOSSES)	(47.9)	(44.4)	(39.8)	-10.5%	-17.0%
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Glossary

3G: Third generation of technology for mobile telephony, which represents an evolution in the existing CDMA and GSM technologies. 3G technology allows for a higher-speed connection than what is currently offered, reaching the same level as a broadband connection and permitting a variety of value added services, especially those that rely on internet connections.

ADSL: Asymmetrical Digital Subscriber Line. System that allows broadband signal transmission through metallic telephone cables. It is the most common DSL technology, which represents a midway transition to fully optical networks.

ARPU: Average Revenue per User, an indicator used in the telecom industry

CAPEX: Capital Expenditure. The investments made by a company.

Churn: Percentage of cancellations during a determined period out of the average client base in the same period.

EBITDA: Do Earnings Before Interest, Taxes, Depreciation and Amortization.

FINANCIAL LEVERAGE RATIO: Net Debt / EBITDA.

GSM: Global System for Mobile communications. GSM is the world's most widely used mobile telephony technology and allows users to move around freely and easily with their handsets. The price of GSM handsets is also more attractive, the network is safer and there are constant technological advances.

IoE (Interest on Equity): Shareholder remuneration option, calculated on shareholders' equity and limited, for tax purposes, to the variation in the long-term interest rate (TJLP). The tax benefit is due to the reduction in the calculation base used for income tax and social contribution tax on net income, given that interest on equity represents a deductible expense in the calculation of these taxes. IoE payments are subject to withholding tax at 15%. Interest on equity may be paid as part of statutory dividends, net of withholding tax.

LES: Lines in Service. All the lines in a network that are effectively being used.

SAC: Subscriber Acquisition Cost, the average amount spent by a company to acquire a new subscriber

TUP: Public phones.

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.

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: July 17, 2008

BRASIL TELECOM S.A.

By: /s/ Paulo Narcélio Simões
 Amaral

Name: Paulo Narcélio Simões
Amaral
Title: Chief Financial
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.
