



INTERNATIONAL SECURITIES EXCHANGE

SERIES ADJUSTMENTS -2003-024

ONN INFORMATION CIRCULAR # 443

May 8, 2003

Telecomunicacoes Brasileiras SA (TBH)

Cash Distribution In Lieu of Rights

Ex-Distribution Date: 5/9/2003

Telecomunicacoes Brasileiras S.A - Telebras (TBH) has declared a distribution of Rights to holders of Telebras Ordinary Shares. The Rights will not be registered in the United States and will not be distributed to holders of TBH American Shares (ADS's). In Lieu of the Rights, the Bank of New York, as the agent for Telebras, sold the rights in the home market and will distribute the proceeds of the sale to the TBH ADS Shareholders. The distribution ratio is \$0.0119 per ADS (Gross rate of \$0.0139-\$0.0020 Depositary fee).

The record date is May 13, 2003. The payable date is May 28, 2003. The New York Stock Exchange (NYSE) has set Friday, May 9, 2003 as the ex-distribution date.

Contract Adjustments:

Pursuant to the by-laws of The Options Clearing Corporation ("OCC"), all Telecomunicacoes Brasileiras SA options will be adjusted as follows:

Adjustment Date: Effective with exercises of Friday, May 9, 2003 and thereafter.
ISE Underlying Symbol(s): TBH becomes EBH
OPRA Option Symbol(s): TBH becomes EBH
No. of Contracts: Unchanged
Multiplier: 100 (e.g., Premium of 1.00 = \$100)
New Deliverable/Contract: 1). 100 Shares of Telecomunicacoes Brasileiras SA
2). Plus \$1.19 Cash

GTC Order Cancellation:

On Thursday, May 8, 2003, immediately after the ISE close, all resting orders in the TBH order book will be cancelled.

Unadjusted New Shares:

New TBH series with a contract unit of 100 shares will be introduced on Monday, May 12, 2003. Strike prices and expiration months will be announced on a separate release.

Adjusted Exercise Prices:

On Friday, May 9, 2003, the ex-distribution date, trading in TBH series will be on an adjusted basis. The strike price adjustments listed below are expected based on the current outstanding series. Any additional TBH series added prior to the ex-date will also be adjusted in the manner outlined below.

Telecomunicacoes Brasileiras SA (TBH)
(Before 5/9/2003)
(100 shrs TBH)

Telecomunicacoes Brasileiras SA (EBH)
(Beginning 5/9/2003)
(See New Deliverable Above)

<u>ISE Series</u>	<u>OPRA</u>	<u>Month</u>	<u>Strike</u>	<u>Calls/Puts</u>	<u>ISE Series</u>	<u>OPRA</u>	<u>Month</u>	<u>Strike</u>	<u>Calls/Puts</u>
TBH3MAY10.0C/P	TBH	MAY	10	EB/QB	EBH3MAY10.0CX/PX	EBH	MAY	10	EB/QB
TBH3MAY12.5C/P	TBH	MAY	12 1/2	EV/QV	EBH3MAY12.5CX/PX	EBH	MAY	12 1/2	EV/QV
TBH3MAY15.0C/P	TBH	MAY	15	EC/QC	EBH3MAY15.0CX/PX	EBH	MAY	15	EC/QC
TBH3MAY17.5C/P	TBH	MAY	17 1/2	EW/QW	EBH3MAY17.5CX/PX	EBH	MAY	17 1/2	EW/QW

TBH3MAY20.0C/P	TBH	MAY	20	ED/QD	EBH3MAY20.0CX/PX	EBH	MAY	20	ED/QD
TBH3MAY22.5C/P	TBH	MAY	22 1/2	EX/QX	EBH3MAY22.5CX/PX	EBH	MAY	22 1/2	EX/QX
TBH3MAY25.0C/P	TBH	MAY	25	EE/QE	EBH3MAY25.0CX/PX	EBH	MAY	25	EE/QE

Telecomunicacoes Brasileiras SA (TBH)
 (Before 5/9/2003)
 (100 shrs TBH)

Telecomunicacoes Brasileiras SA (EBH)
 (Beginning 5/9/2003)
 (See New Deliverable Above)

<u>ISE Series</u>	<u>OPRA</u>	<u>Month</u>	<u>Strike</u>	<u>Calls/Puts</u>	<u>ISE Series</u>	<u>OPRA</u>	<u>Month</u>	<u>Strike</u>	<u>Calls/Puts</u>
TBH3MAY27.5C/P	TBH	MAY	27 1/2	EY/QY	EBH3MAY27.5CX/PX	EBH	MAY	27 1/2	EY/QY
TBH3MAY30.0C/P	TBH	MAY	30	EF/QF	EBH3MAY30.0CX/PX	EBH	MAY	30	EF/QF
TBH3JUN12.5C/P	TBH	JUN	12 1/2	FV/RV	EBH3JUN12.5CX/PX	EBH	JUN	12 1/2	FV/RV
TBH3JUN15.0C/P	TBH	JUN	15	FC/RC	EBH3JUN15.0CX/PX	EBH	JUN	15	FC/RC
TBH3JUN17.5C/P	TBH	JUN	17 1/2	FW/RW	EBH3JUN17.5CX/PX	EBH	JUN	17 1/2	FW/RW
TBH3JUN20.0C/P	TBH	JUN	20	FD/RD	EBH3JUN20.0CX/PX	EBH	JUN	20	FD/RD
TBH3JUN22.5C/P	TBH	JUN	22 1/2	FX/RX	EBH3JUN22.5CX/PX	EBH	JUN	22 1/2	FX/RX
TBH3JUN25.0C/P	TBH	JUN	25	FE/RE	EBH3JUN25.0CX/PX	EBH	JUN	25	FE/RE
TBH3JUN27.5C/P	TBH	JUN	27 1/2	FY/RY	EBH3JUN27.5CX/PX	EBH	JUN	27 1/2	FY/RY
TBH3JUN30.0C/P	TBH	JUN	30	FF/RF	EBH3JUN30.0CX/PX	EBH	JUN	30	FF/RF
TBH3JUN32.5C/P	TBH	JUN	32 1/2	FZ/RZ	EBH3JUN32.5CX/PX	EBH	JUN	32 1/2	FZ/RZ
TBH3JUL5.0C/P	TBH	JUL	5	GA/SA	EBH3JUL5.0CX/PX	EBH	JUL	5	GA/SA
TBH3JUL7.5C/P	TBH	JUL	7 1/2	GU/SU	EBH3JUL7.5CX/PX	EBH	JUL	7 1/2	GU/SU
TBH3JUL10.0C/P	TBH	JUL	10	GB/SB	EBH3JUL10.0CX/PX	EBH	JUL	10	GB/SB
TBH3JUL12.5C/P	TBH	JUL	12 1/2	GV/SV	EBH3JUL12.5CX/PX	EBH	JUL	12 1/2	GV/SV
TBH3JUL15.0C/P	TBH	JUL	15	GC/SC	EBH3JUL15.0CX/PX	EBH	JUL	15	GC/SC
TBH3JUL17.5C/P	TBH	JUL	17 1/2	GW/SW	EBH3JUL17.5CX/PX	EBH	JUL	17 1/2	GW/SW
TBH3JUL20.0C/P	TBH	JUL	20	GD/SD	EBH3JUL20.0CX/PX	EBH	JUL	20	GD/SD
TBH3JUL22.5C/P	TBH	JUL	22 1/2	GX/SX	EBH3JUL22.5CX/PX	EBH	JUL	22 1/2	GX/SX
TBH3JUL25.0C/P	TBH	JUL	25	GE/SE	EBH3JUL25.0CX/PX	EBH	JUL	25	GE/SE
TBH3JUL27.5C/P	TBH	JUL	27 1/2	GY/SY	EBH3JUL27.5CX/PX	EBH	JUL	27 1/2	GY/SY
TBH3JUL30.0C/P	TBH	JUL	30	GF/SF	EBH3JUL30.0CX/PX	EBH	JUL	30	GF/SF
TBH3OCT7.5C/P	TBH	OCT	7 1/2	JU/VU	EBH3OCT7.5CX/PX	EBH	OCT	7 1/2	JU/VU
TBH3OCT10.0C/P	TBH	OCT	10	JB/VB	EBH3OCT10.0CX/PX	EBH	OCT	10	JB/VB
TBH3OCT12.5C/P	TBH	OCT	12 1/2	JV/VV	EBH3OCT12.5CX/PX	EBH	OCT	12 1/2	JV/VV
TBH3OCT15.0C/P	TBH	OCT	15	JC/VC	EBH3OCT15.0CX/PX	EBH	OCT	15	JC/VC
TBH3OCT17.5C/P	TBH	OCT	17 1/2	JW/VW	EBH3OCT17.5CX/PX	EBH	OCT	17 1/2	JW/VW
TBH3OCT20.0C/P	TBH	OCT	20	JD/VD	EBH3OCT20.0CX/PX	EBH	OCT	20	JD/VD
TBH3OCT22.5C/P	TBH	OCT	22 1/2	JX/VX	EBH3OCT22.5CX/PX	EBH	OCT	22 1/2	JX/VX
TBH3OCT25.0C/P	TBH	OCT	25	JE/VE	EBH3OCT25.0CX/PX	EBH	OCT	25	JE/VE
TBH3OCT27.5C/P	TBH	OCT	27 1/2	JY/VY	EBH3OCT27.5CX/PX	EBH	OCT	27 1/2	JY/VY

Questions regarding this release may be directed to Iris Rodriguez at (212) 897-0264.