



MEMO #: 2334-07

MEMORANDUM

TO: All Members, Member Organizations, and ROTs

FROM: Market Watch

DATE: September 21, 2007

RE: **Tele Norte Leste Participacoes S.A. (TNE)**
Offer to Purchase – Further Extended and Revised

Telemar Participacoes S.A. is offering to acquire all of the outstanding American Depository Shares (ADS's), including Preferred Shares represented by ADS's, of Tele Norte Leste Participacoes S.A. (TNE). Tele Norte Leste Participacoes S.A. will receive **R\$45.00 (Not R\$35.09)** (Brazilian Reais) in cash for every ADS of TNE being held, in accordance with the terms and subject to the conditions set forth in the Offer to Purchase, dated June 20, 2007, and in the related Letter of Transmittal, which together constitute the "Offer".

The Offer and withdrawal rights will expire at 10:00 A.M., New York City Time, on Wednesday, October 10, 2007, unless extended.

There will be NO guarantee period.

The foregoing discussion is an unofficial summary of the terms of the offer, prepared by PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of this summary. Members should refer to the offer to purchase for the authoritative description of the offer and all of its terms and conditions.

SPECIAL RISKS

Special risks exist for uncovered writers of TNE call options. If an uncovered call option writer is assigned on or before the tender offer expiration date, the writer may not be able to deliver TNE Common Stock by the option settlement date. The Options Clearing Corporation ("OCC") Article VI, Section 19 of the By-Laws describes steps, which may be taken in the event that there is a shortage of shares.

Please note that TNE options will not be adjusted to reflect the expiration of the tender offer. Until a merger, consolidation or similar event occurs, TNE common stock will still exist, trade and be deliverable in settlement of option exercise.

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-1508.