

"This report is hereby incorporated by reference into Post-Effective Amendment No. 1 to our registration statement on Form F-3 (File No. 001-14499), filed with the Securities and Exchange Commission on March 1, 2005."

## **EMBRATEL PARTICIPAÇÕES S.A.**

Publicly Traded Company  
CNPJ n.º 02.558.124/0001-12

### **MATERIAL FACT**

Embratel Participações S.A. ("Embrapar" or "Company"), a joint stock company, with head-office in the City of Rio de Janeiro, State Rio de Janeiro, at Rua Regente Feijó, n.º 166/1687-B, communicates to its shareholders and to the public in general that its Board of Directors ratified on May 23, 2005 the Company's capital increase, which is now R\$4,096,713,387.00 (four billion, ninety six million, seven hundred and thirteen thousand, three hundred and eighty seven reais), represented by 758,306,004,336 (seven hundred and fifty-eight billion, three hundred and six million, four thousand, three hundred and thirty-six) shares, 282,027,681,973 (two hundred and eighty-two billion, twenty-seven million, six hundred and eighty-one thousand, nine hundred and seventy three) being nominative common shares and 476,278,322,363 (four hundred and seventy-six billion, two hundred and seventy-eight million, three hundred and twenty-two thousand and three hundred and sixty-three) being nominative preferred shares, all with no nominal value. The total amount raised by the Company with the capital increase was R\$1,822,800,000,00 (one billion, eight hundred twenty two million, eight hundred thousand reais).

Further information and details about the capital increase can be found in the Company's web site at [www.embratel.com.br](http://www.embratel.com.br).

Rio de Janeiro, May 23, 2005.

Isaac Berensztejn  
Investor Relations Director