

**EMBRATEL PARTICIPAÇÕES S.A.**  
**Publicly-owned Company**  
**CNPJ no. 02.558.124/0001-12**

**RELEVANT FACT**

EMBRATEL PARTICIPAÇÕES S.A. (“EMBRAPAR or Company”), in compliance with the provisions of CVM Instruction no. 358/2002, communicates to its shareholders and to the public in general that, in a meeting held on this date, the Board of Directors of the Company authorized the management of the Company to take the necessary measures for having economic-financial feasibility studies and analysis made in order to assess possible acquisitions by the Company of (i) all of the capital stock of Telmex do Brazil Ltda. (“TDB”) and (ii) an equity stake equivalent to 37.11% of the capital stock of Net Serviços de Comunicação S.A. (“NET”), held by Teléfonos de México S.A., de C.V. (“Telmex”), (the “Acquisition”). In such context, the Board approved the execution of a Memorandum of Understandings with Telmex, the controlling shareholder of the Company, confirming the decision of the parties to carry out those studies and their preliminary interest in implementing the Acquisition, once its economic-financial studies are concluded.

Should the studies confirm the interest of the Company in consummating the Acquisition, its implementation shall be effected by means of merging into EMBRAPAR, the companies which hold the interests in TDB and NET, respectively, Atlantis Holdings do Brasil Ltda. (“Atlantis”) and Latam Brasil Participações S.A. (“Latam Brasil”), whose total capital stock (100%) is held, indirectly, by Telmex. As a result of the Acquisition, Telmex will receive new common shares to be issued by the Company, as a consequence of the capital increase to be approved for absorbing the assets and liabilities of the merged companies.

In this same meeting, the members of the Board of Directors authorized the administration of the Company to hire the services of financial and legal consultants and other services that may be necessary to appraise the feasibility of the Acquisition, as well as, if such feasibility is confirmed, hire the necessary appraisals for implementing the transactions, in strict compliance with legal provisions and regulations in force.

As soon as the studies and other preparatory measures for the Acquisition are concluded, the respective terms and conditions shall be submitted to the analysis of the competent bodies of the Company and promptly disclosed to the market.

The administration of the Company believes that the Acquisition fits in with the policy of the Company of developing alternatives for expanding its business lines, seeking not only to increment its share in the areas where it already has a consolidated presence, but also its expansion to other segments of the Telecommunications market in Brazil.

Rio de Janeiro, 23 of May of 2005

EMBRATEL PARTICIPAÇÕES S.A.  
ISAAC BERENSZTEJN  
Investor Relations Officer