

Rio de Janeiro, Brazil – July 14, 2004

Embratel Participações S.A. (Embrapar)
NYSE: EMT; BOVESPA: EBTP3, EBTP4

The Company holds 98.8 percent of **Empresa Brasileira de Telecomunicações S.A. - Embratel** (“Embratel”).

SECOND QUARTER 2004 EARNINGS PREVIEW

Rio de Janeiro, Brazil. – July 14, 2004 –Embratel Participações S.A. (“Embrapar”) announced today a brief preview of some elements of the second quarter 2004 earnings announcement to be released on Wednesday, July 21, 2004, after the market closes.

- Voice revenues were impacted by intensified competition, the elimination of SMP revenues due to the fact that cellular providers were unable to bill co-billed customers and to the introduction of new anti-fraud detection practices which caused revenues to decline 9.5 percent quarter-over-quarter.
- Interconnection costs rose due to several factors, including higher mobile interconnection tariffs. Telco ratio rose by 2.4 percentage points.
- Several non-recurring items impacted EBITDA and Net income. Above EBITDA, non-recurring cash and non-cash payments, reversals and recoveries amounted to a net decrease in expenses of R\$12 million, and below EBITDA non-cash recoveries represented a R\$126 million addition to net income before taxes.

Embratel is the premium telecommunications provider in Brazil and offers an ample variety of telecom services –local and long distance telephony, advanced voice, high-speed data transmission, Internet, satellite data communications, and corporate networks. The company is a leader in the country for data services and Internet, and is highly qualified to be an all-distance network carrier in Latin America. Embratel’s network spreads countrywide, with almost 29 thousand kms of optic cables, which represents about one million and sixty-nine thousand km of fiber optics.

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The information contained in this release may be deemed to include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve risk and

uncertainty. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that its expectations will be achieved. Actual results may differ materially from these expectations due to regulatory risks and other risks referred to in the Company's filings with the CVM and SEC. The Company does not undertake any obligation to release publicly any revisions to its forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

21 Contact Information:

Silvia M.R. Pereira

Investor Relations

tel: (55 21) 2121-9662

fax: (55 21) 2121-6388

email: silvia.pereira@embratel.com.br or invest@embratel.com.br