

EARNINGS RELEASE

First Quarter 2002
April 22, 2002



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Embratel Participações Earnings Release

First Quarter 2002 Results¹

Rio de Janeiro, Brazil - April 22, 2002

Embratel Participações S.A. (Embratel Participações or the "Company")

NYSE: EMT; BOVESPA: EBTP3, EBTP4

The Company holds 98.8 percent of Empresa Brasileira de Telecomunicações S.A. ("Embratel").

¹ All financial figures are in Reais and based on consolidated financial statements in "Legislação Societária".

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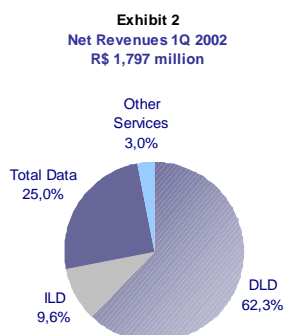
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EMBRATEL REPORTS FIRST QUARTER 2002 REVENUES OF R\$1.8 BILLION

Exhibit 1 R\$ thousands	1Q01	2Q01	3Q01	4Q01	1Q02	% Var YoY	% Var QoQ
Net Revenues	1.842.726	1.860.480	1.911.869	1.845.881	1.796.955	-2,5%	-2,7%
Ebitda	422.175	401.765	390.544	(199.050)	333.465	-21,0%	267,5%
Ebit	172.367	141.917	121.583	(482.063)	61.012	-64,6%	112,7%
Net Income/(Loss)	(33.747)	(38.829)	(194.835)	(286.260)	(36.440)	-8,0%	87,3%

- Long distance voice traffic volume reflected improvement in call management**
The implementation of the collections system - CACs - and the second phase of the call management system - Infusion (Embratel Call Management System - "ECMS"), were completed during the quarter on schedule. Collections and call management efficiency are improving. First quarter net revenues of R\$1.8 billion dropped slightly year-over-year due to emphasis on providing services to paying customers.
- Refinancing program completed in the quarter - net debt position maintained**
Embratel refinanced debt maturing in 2002 in the first quarter of 2002. Refinancing program for 2002 is completed.
- Data business is sound and growing despite price reductions**
Data revenues declined 2.1 percent to R\$450 million year-over year. However, average megabit/equivalent volume growth exceeded 40 percent over the past year showing that our basic business is very sound and continuing to grow.
- Embratel generated a positive cash flow - first quarter 2002 EBITDA of R\$333 million**
Embratel's first quarter EBITDA met capex and net interest expense needs in the quarter.



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21 Data Communication Services

Focusing on cash and profitable growth

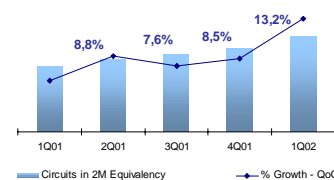
Exhibit 3 R\$ thousands	1Q01	2Q01	3Q01	4Q01	1Q02	% Var YoY	% Var QoQ
Total Data	459.652	434.780	458.644	461.653	450.133	-2,1%	-2,5%
Data & Internet	421.207	403.097	430.136	436.660	429.988	2,1%	-1,5%
Wholesale	38.445	31.683	28.508	24.993	20.145	-47,6%	-19,4%

Data communications revenues declined 2.1 percent to R\$450 million compared to the first quarter of 2001. Compared to the previous quarter, data revenues fell 2.5 percent. The reduction in data revenues was caused by a) contracts being renewed at current price levels; b) general reduction in Internet services prices (see February 5, 2002 Earnings Release) intended to drive further growth and insulate Embratel from competitors; and c) anticipated declines in wholesale revenues.

Embratel has been focusing its growth on high return sales and on winning profitable contracts. This strategy is consistent with our primary objective of cash generation and returns.

Despite the reduction in prices, volume growth is healthy. In 2 Mbits equivalent basis circuits volumes grew more than 40 percent year-over-year and 13 percent quarter over-quarter. In addition, Embratel's client base continues to increase. "This shows our data business is very sound and continuing to grow", said Jorge Rodriguez, Embratel's President and CEO.

Exhibit 4
Evolution
Circuits in 2M Equivalent



Also during the quarter, Embratel won significant contracts: Embratel was awarded the contract to provide telecommunications services to Banco Postal (5,000 locations throughout Brazil) and to provide Banco do Brasil's worldwide network. In addition, Embratel was appointed to be Shell Brazil's sole telecommunications provider including a complete range of data (frame relay, direct links, Global VPN, etc.) as well as voice services (VipPhone, 0800, Sempre 21, among others). In these transactions Embratel competed against local and foreign providers.

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21 Voice Services

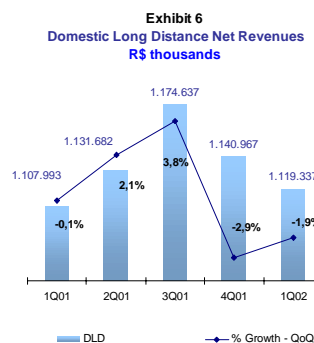
Active call management strengthens results

Exhibit 5 R\$ thousands	1Q01	2Q01	3Q01	4Q01	1Q02	% Var	
						YoY	QoQ
Total Voice	1.328.079	1.367.510	1.392.985	1.323.777	1.292.016	-2,7%	-2,4%
Domestic Long Distance	1.107.993	1.131.682	1.174.637	1.140.967	1.119.337	1,0%	-1,9%
International Long Distance	220.086	235.828	218.348	182.810	172.679	-21,5%	-5,5%

During the quarter Embratel continued to improve the collectibility of revenues by filtering the non-performing traffic through ECMS. On average, approximately 2.5 million lines were prevented from completing calls using the Embratel code throughout the quarter. Voice traffic and revenues fell accordingly. Embratel views the reduction in traffic positively since it is an important step in the direction of reducing uncollectible accounts and the related interconnection costs.

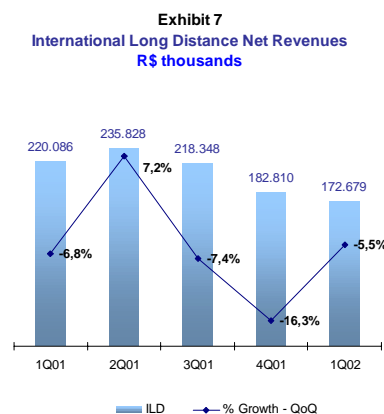
21 Domestic Long Distance

Domestic long distance revenues were flat at R\$1.1 billion in the first quarter of 2002 compared to the same 2001 quarter. Relative to the fourth quarter of 2001, domestic long distance revenues declined 1.9 percent. The main causes for this reduction were the interruption of non-paying traffic and the seasonal impact of the holiday period. Call management has a more significant impact on residential traffic.



21 International Long Distance

International long distance revenues were R\$173 million in the first quarter of 2002 representing a decline of 21.5 percent when compared to the same quarter of the previous year. Compared to the fourth quarter of 2001, international long distance fell 5.5 percent. Price reductions and ECMS were responsible for the decline in international long distance revenues in the quarter. Both outbound and inbound rates decreased by 16 percent year-over-year. Also, lower traffic to and from Argentina contributed to a reduction in volumes year-over-year. These factors were responsible for the bulk of the revenue reduction in the period.



Embratel expects a continued decline in revenues from this segment due to price reductions.

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21 EBITDA

Exhibit 8 R\$ thousands	1Q01	2Q01	3Q01	4Q01	1Q02	% Var YoY	% Var QoQ
Net Revenues	1.842.726	1.860.480	1.911.869	1.845.881	1.796.955	-2,5%	-2,7%
Lines Costs	(875.311)	(891.326)	(914.903)	(885.947)	(854.526)	-2,4%	-3,5%
Other Cost of Service	(111.732)	(122.372)	(122.801)	(101.208)	(103.520)	-7,3%	2,3%
SG&A	(444.504)	(448.005)	(488.894)	(1.035.568)	(506.933)	14,0%	-51,0%
Bad Debt	(160.193)	(159.958)	(169.219)	(665.407)	(173.694)	8,4%	-73,9%
Other SG&A expenses	(284.311)	(288.047)	(319.675)	(370.161)	(333.239)	17,2%	-10,0%
Others	10.996	2.986	5.274	(22.207)	1.489	-86,5%	-106,7%
Ebitda	422.175	401.765	390.545	(199.049)	333.465	-21,0%	267,5%

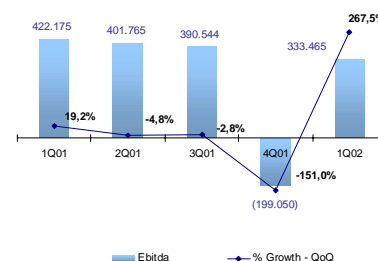
EBITDA was R\$333 million in the first quarter of 2002. Compared to an effective quarterly EBITDA run rate of approximately R\$250 million in 2001, this represents a significant increase. The reduction in the provision for doubtful receivables was the primary reason for improvement in the EBITDA.

Embratel provisioned R\$174 million for doubtful receivables in the first quarter of 2002. This amount corresponds to 9.7 percent of net revenues. When compared to the average level of provisions taken in 2001 - 15.5 percent, it represents a substantial reduction. This decrease is conforming with our

policy of provisioning all voice receivables past due above 120 days. Thus, the amount provisioned in the quarter is largely related to bills from calls made in the months of August to October when current capabilities were not yet fully in place.

While the tools Embratel implemented to manage billing and collections have greatly enhanced the company's ability to deal with uncollectibles we expect the level of provisioning to remain high in the short term due to the lag which exists between the provisioning deadline and the initiation of massive call selection.

Exhibit 9
Ebitda
R\$ thousands



21 Financial Position and Interest Expenses

Embratel Participações ended the quarter with a cash position of R\$662 million. Total debt outstanding as of March 31, 2002 was R\$3.7 billion (net debt of R\$3.1 billion). R\$1.2 billion corresponded to short term debt and current portion of long term debt.

As previously announced, Embratel concluded in the quarter its 2002 refinancing program. The major part of this program consists of a syndicated loan of US\$270 million. Another US\$35 million of trade related finance structured in April completed core 2002 financing needs. Excluding the repayment of a

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bridge loan of US\$ 161 million, the Company paid approximately US\$308 million of interest, principal, related taxes and commissions during the quarter. "We are satisfied to have completed Embratel's refinancing needs for 2002 while maintaining favorable terms in a very challenging financing environment" said José Maria Zubiría, Embratel's CFO.

While Embratel's debt profile continues to be primarily denominated in foreign currencies, portions of this debt have been swapped to the Real according to Exhibit 10 below.

Exhibit 10	Mar 31, 2002			
	Amounts in R\$ thousands	%	Average Cost of Debt	Average Maturity
Embratel Participações S.A.				
Hedged short term debt (notional amount)	551.124	46,1%	99.28% CDI	up to 12 months
Unhedged short term debt	644.741	53,9%	US + 8.09% pa.	up to 12 months
Total short term debt and current portion of long term debt	1.195.865	100,0%		
Hedged long term debt (notional amount)	897.780	35,2%	98.21% CDI	up to 2.41 years
Unhedged long term debt	1.655.728	64,8%	US + 8.56% pa.	up to 8.55 years
Total long term debt	2.553.508	100,0%		
Total hedged debt	1.448.904	38,6%		
Total unhedged debt	2.300.469	61,4%		
Total debt (net of hedge gains)	3.749.373	100,0%		

The March 31, 2002 end of quarter hedge position does not include another US\$100 million that were hedged on April 2, 2002. If this amount is included, short term hedged debt increases to 65.5 percent and total hedged debt increases to 44.8 percent. Compared to December 31, 2001 short term hedged debt also rose from 62.8 percent. Embratel continues to pursue hedging opportunities to fulfill its policy of hedging all new debt under 3 years maturity and will continue to hedge as market conditions permit.

Star One, Embratel's satellite subsidiary, has finalized the plans to launch a Ku-band satellite for broadband internet services, covering Latin America. The total investment over 3 years for this project is approximately US\$250 million, including the satellite, launch services, insurance and taxes. In April, Star One entered into a contract with BNP Paribas to finance 85 percent of the satellite. This is a 10 year loan with 3 years of grace period, reflecting the time to manufacture the satellite, with an all in cost of 9% per annum. Approximately US\$40 million to US\$50 million will be spent in 2002 and this amount is within Embratel's total projected Capex plan of R\$1.1 billion.

Net Income

The net loss for the first quarter of 2002 was R\$36 million. In addition to the factors mentioned above, the loss includes the impact of higher financial costs on hedged debt despite the fact that the devaluation of the real had little impact on the Company's foreign currency debt (see Financial Position above). In the first quarter of 2001 the company's net loss was R\$34 million.

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21 Accounts Receivables

The Company's net receivable position on March 31, 2002 was R\$1.9 billion, representing a slight improvement in collections and an increase in the provision for doubtful accounts. On March 31, 2002, the balance of this provision was R\$1.6 billion. Gross receivables were flat R\$3.4 billion in the first quarter of 2002 (Exhibit 12 and 13 below). Note there are zero unprovisioned voice receivables above 120 days.

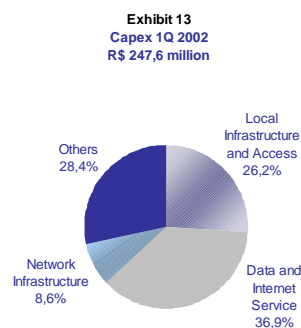
Co-billing has initiated with CTBC and Telemar. We expect to reach an agreement with Telefonica in the second quarter. We expect co-billing to eventually attenuate lack of payments because of incorrect or insufficient addressing information as well as offering clients an additional option for bill payment.

Exhibit 11 Embratel Participações SA R\$ thousands	Gross Receivables Mar 31,2002
Accounts Receivables	
Voice Services	2.517.260
Data, Telco and Other Services	634.444
Foreign Administrations	285.674
Gross Receivables	3.437.378
Allowance for Doubtful Accounts	(1.550.723)
Net Receivables	1.886.655

Exhibit 12 Embratel Participações SA R\$ thousands	Net Account Receivables
Voice Service	1.042.817
Current	65,2%
1-60 days	25,0%
61-120 days	9,8%
> 120 days	0

21 Capital Expenditures

In the first quarter capital expenditures were R\$248 million. The breakout of this expenditure is: local infrastructure and access – 26.2 percent; data and Internet services – 36.9 percent; network infrastructure – 8.6 percent and others – 28.4 percent.



Embratel expects to be cash flow positive (after capex and interest expenses) in 2002.

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21 Local Services

Embratel has completed its Universalization obligations. Embratel is ready to initiate the providing local services as soon as Anatel grants the license. Anatel's regulatory deadline to issue Embratel's universalization target completion certificate expired on March 22, 2002. We expect Anatel to grant us our certification at any moment.

21 Petition - Anti-competitive Practices (Representação por Infração da Ordem Econômica)

On April 15, 2002 Embratel and Intelig filed a petition to Cade (the Brazilian Anti-Trust Commission) via Anatel, which contains indications that Telemar, Brasil Telecom and Telefonica are engaging in illegal anti-competitive practices with respect to the interconnection rates charged to competitive long distance providers. Based on the analysis of publicly available financial information we show that either local/regional telcos charge their own long distance concessions a lower interconnection rate compared to those charged to the long distance carriers - a breach of the rule of equal treatment to all concessions; or their long distance concession is loss making at the operating level, in which case they are subsidizing their long distance concession through the interconnection revenues paid to their local concession. Also a violation of competitive rules.

In this petition Embratel requests:

- 1) That Anatel immediately demands that local/regional operators present separate financial statements for each concession (local and long distance) in accordance to article 96 of the General Telecommunications Law, showing the TU-RL tariffs charged to other long distance concessions and to their own;
- 2) That the interconnection rate be determined according to a formula whereby the highest TU-RL rate charged in its concession region(A) be lower than the lowest tariff charged to an end customer in its concession region(B) minus the highest TU-RIU charged in its concession region (C) or $A < (B - C)$.
- 3) Should Anatel decide not to adopt the above formula (2) for interconnection pricing, that it demands the local/regional company charge other long distance concessions an interconnection rate that given the prices it practices to end customers, will make its long distance concession cash positive;
- 4) Lastly, given the risks of elimination of the competitive environment, Embratel requests that these companies not be granted licenses to operate in the inter-regional and inter-national long distance markets until such anti-competitive practices are stopped.

21 Creation of Business Units

Early this month, Embratel created two business units: a Residential & Small Company business unit and a Large & Medium Company business unit. "The purpose of this reorganization is to enhance focus and client orientation thereby raising the level of excellency in client services as well as increasing the agility and efficiency of our actions" said Jorge Rodriguez, Embratel's CEO. "The

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ultimate result we aim to achieve with this client focused organizational structure is to grow revenues and margins, generating cash and returns."

The Large & Medium Company business unit, to be headed by Eduardo Levy, will provide voice, data and network services to government entities and companies, and to large and medium businesses. The Residential & Small Company business unit will provide voice and data services to the residential and small business market. It will be headed by José Maria Zubiría who will continue as Embratel's CFO until the appointment of a successor.

-- X --

Embratel is the premier communications provider in Brazil offering a wide array of advanced communications services over its own state of the art network. It is the leading provider of data and Internet services in the country. Service offerings include: advanced voice, high-speed data communication services, Internet, satellite data communications and corporate networks. Embratel is uniquely positioned to be the all-distance telecommunications network of South America. The Company's network is has countrywide coverage with 28,868 km of fiber cables comprising 1,068,657 km of optic fibers.

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Note: Except for the historical information contained herein, this news 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, including financial, regulatory environment and trend projections. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that its expectations will be achieved. The important factors that could cause actual results to differ materially from those in the forward-looking statements herein include, without limitation, the Company's degree of financial leverage, risks associated with debt service requirements and interest rate fluctuations, risks associated with any possible acquisitions and the integration thereof, risks of international business, including currency risk, dependence on availability of interconnection facilities, regulation risks, contingent liabilities, collection risks, and the impact of competitive services and pricing, as well as other risks referred 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.

- - 02 pages to follow - -

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Exhibit 14 Embratel Participações SA (millions of minutes)	Quarter ending			% change	% change
	2002	2001	2001	Y-o-Y	Q-o-Q
	Mar 31	Mar 31	Dec 31		
Domestic Long Distance	5.215,5	5.128,8	5.637,9	1,7%	-7,5%

* This minute series includes domestic long distance traffic, domestic long distance, fixed to cellular traffic, cellular to fixed and cellular to cellular traffic and advanced telephony traffic

Exhibit 15 Embratel Participações SA Corporate Law Consolidated Income Statement R\$ thousands	Quarter ending						% change	
	2002		2001		2001		Y-o-Y	Q-o-Q
	Mar 31	%	Mar 31	%	Dec 31	%		
Revenues								
Gross revenues	2.316.622		2.481.005		2.450.078		-6,6%	-5,4%
Taxes & other deductions	(519.667)		(638.279)		(604.197)		18,6%	14,0%
Net revenues	1.796.955	100,0%	1.842.726	100,0%	1.845.881	100,0%	-2,5%	-2,7%
Net voice revenues	1.292.016	71,9%	1.328.079	72,1%	1.323.777	71,7%	-2,7%	-2,4%
Net Domestic long distance	1.119.337	62,3%	1.107.993	60,1%	1.140.967	61,8%	1,0%	-1,9%
Net International long distance	172.679	9,6%	220.086	11,9%	182.810	9,9%	-21,5%	-5,5%
Net data communications	450.133	25,0%	459.652	24,9%	461.653	25,0%	-2,1%	-2,5%
Data & Internet	429.988	23,9%	421.207	22,9%	436.660	23,7%	2,1%	-1,5%
Wholesale	20.145	1,1%	38.445	2,1%	24.993	1,4%	-47,6%	-19,4%
Net other services	54.806	3,0%	54.995	3,0%	60.451	3,3%	-0,3%	-9,3%
Net revenues	1.796.955	100,0%	1.842.726	100,0%	1.845.881	100,0%	-2,5%	-2,7%
Lines costs (incl. interconnection & facilities)	(854.526)	-47,6%	(875.311)	-47,5%	(885.947)	-48,0%	-2,4%	-3,5%
Other cost of services (excl. depreciation)	(103.520)	-5,8%	(111.732)	-6,1%	(101.208)	-5,5%	-7,3%	2,3%
Selling, general and administrative expenses (excl. depreciatio	(506.933)	-28,2%	(444.504)	-24,1%	(1.035.568)	-56,1%	14,0%	-51,0%
Bad Debt	(173.694)	-9,7%	(160.193)	-8,7%	(665.407)	-36,0%	8,4%	-73,9%
Other SG&A expenses (excl. depreciation)	(333.239)	-18,5%	(284.311)	-15,4%	(370.161)	-20,1%	17,2%	-10,0%
Other operating income/(expense)	1.489	0,1%	10.996	0,6%	(22.207)	-1,2%	-86,5%	106,7%
EBITDA	333.465	18,6%	422.175	22,9%	(199.050)	-10,8%	-21,0%	267,5%
Depreciation and amortization	(272.453)	-15,2%	(249.808)	-13,6%	(283.014)	-15,3%	9,1%	-3,7%
Operating income (EBIT)	61.012	3,4%	172.367	9,4%	(482.063)	-26,1%	-64,6%	112,7%
Financial income (including monetary and exchange variation)	36.426	2,0%	65.440	3,6%	49.686	2,7%	-44,3%	-26,7%
Interest income	31.886	1,8%	17.645	1,0%	25.699	1,4%	80,7%	24,1%
Monetary variation	45	0,0%	280	0,0%	26	0,0%	-83,9%	73,1%
Exchange variation	4.495	0,3%	47.515	2,6%	23.961	1,3%	-90,5%	-81,2%
Financial expense (including monetary and exchange variation)	(135.413)	-7,5%	(266.554)	-14,5%	66.104	3,6%	-49,2%	304,8%
Interest expense	(92.143)	-5,1%	(64.828)	-3,5%	(58.355)	-3,2%	42,1%	57,9%
Monetary variation	(8.978)	-0,5%	(4.880)	-0,3%	(13.302)	-0,7%	84,0%	-32,5%
Exchange variation	(34.292)	-1,9%	(196.846)	-10,7%	137.761	7,5%	-82,6%	124,9%
Other non-operating income/(expense)	2.071	0,1%	451	0,0%	(61.209)	-3,3%	359,2%	103,4%
Net income before tax, employee profit sharing and minority interest	(35.904)	-2,0%	(28.296)	-1,5%	(427.483)	-23,2%	-26,9%	91,6%
Income tax and social contribution	11.170	0,6%	8.094	0,4%	132.762	7,2%	38,0%	-91,6%
Employee profit sharing	(8.754)	-0,5%	(11.556)	-0,6%	9.584	0,5%	-24,2%	-191,3%
Minority interest	(2.952)	-0,2%	(1.989)	-0,1%	(1.124)	-0,1%	48,4%	162,7%
Net income / (loss)	(36.440)	-2,0%	(33.747)	-1,8%	(286.260)	-15,5%	-8,0%	87,3%
End of period shares outstanding (000)	332.932.361		332.932.361		332.932.361			
Earnings per 1000 shares	(0,11)		(0,10)		(0,86)			

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Exhibit 16		
Embratel Participações SA		
Corporate Law - Consolidated Balance Sheet		
R\$ thousands	2002	2001
	Mar 31	Dec 31
Assets		
Cash and cash equivalents	661.760	652.153
Account receivables, net	1.886.655	1.929.278
Deferred and recoverable taxes	693.082	606.191
Other current assets	243.480	189.985
Current assets	3.484.977	3.377.607
Deferred and recoverable taxes	510.917	490.604
Legal deposits	343.818	341.562
Other non-current assets	55.972	66.865
Non-current assets	910.707	899.031
Investments	170.801	169.627
Net property, plant & equipment	7.839.345	7.849.429
Deferred fixed assets	152.233	162.382
Permanent assets	8.162.379	8.181.438
Total assets	12.558.063	12.458.076
Liabilities		
Personnel, charges and social benefits	113.967	99.202
Accounts payable and accrued expenses	1.619.244	1.569.123
Taxes and contributions	472.806	450.308
Dividends and interest on capital payable	31.822	30.240
Short term debt and current portion of long term debt	1.195.865	1.079.953
Provisions for contingencies	37.590	33.573
Pension plan -Telos	62.675	61.506
Employee's profit sharing	31.362	22.610
Subsidiaries and associated companies	48.655	39.091
Other current liabilities	124.221	112.258
Current liabilities	3.738.207	3.497.864
Taxes and contributions	229.462	229.462
Long term debt	2.553.508	2.648.157
Pension plan - Telos	352.362	358.343
Other non-current liabilities	915	915
Non-current liabilities	3.136.247	3.236.877
Deferred income	134.158	132.038
Minority interest	239.394	244.625
Paid in capital	2.273.913	2.273.913
Income reserves	1.912.114	1.912.114
Treasury stock	(41.101)	(41.101)
Retained earnings	1.165.131	1.201.746
Shareholders' equity	5.310.057	5.346.672
Total liabilities and shareholders' equity	12.558.063	12.458.076
Total borrowed funds	3.749.373	3.728.110
Net debt	3.087.613	3.075.957
Net debt/Shareholders equity	0,58	0,58