

EMBRATEL PARTICIPAÇÕES S.A.

Publicly Traded Company
Tax Payer # 02.558.124/0001-12

(Free Translation)

MATERIAL FACT

Embratel Participações S.A. (“Embrapar”), in compliance with the provisions of paragraph 4 of article 157 of Law #6.404/76 and to CVM Instruction #358/02, communicates to its shareholders and to the public in general that, on this date, the Brazilian Securities and Exchange Commission (CVM), through Deliberation #479, has authorized Embrapar's management to resume its capital increase process, which was temporarily suspended.

As a result of this decision, the Company will proceed with the capital increase. The Company will now submit to its Board of Directors a revised schedule for the offering, which, when approved, will be followed by a new notice to shareholders and an amended Form F-3 to be filed with the SEC and its translation simultaneously disclosed to the Brazilian market.

Further information can be obtained in the Company's web site at www.embratel.com.br.

Rio de Janeiro, February 18th, 2005

Isaac Berensztejn
Investor Relations Director