EMBRATEL PARTICIPAÇÕES S.A.

Corporate Taxpayer Registry (CNPJ/MF) n.º 02.558.124/0001-12
Corporate ID Registry (NIRE) n.º 3330026237-7

MINUTES OF THE BOARD OF DIRECTORS MEETING

I. DATE, TIME AND PLACE: September 30 2005, at 2:00pm, at the Company Head Office, situated in the Capital of the State of Rio de Janeiro, at Rua Regente Feijó n° 166/1687-B – Centro – RJ.

II. CONVOCATION AND ATTENDANCE: Members of the Board of Directors were officially convened; the board members present at the meeting may be found undersigned at the end of this document. Members of the Company's Fiscal Council were also invited, under the terms of Article 163, §3 of Law n.º 6.404/76, and Mr. Ruy Dell'Avanzi, Mr. Edison Giraldo and Mr. Erasmo Simões Trogo, acting members of the Fiscal Council, attended the meeting. Also present were Mr. Joel Roberto Teixeira, Ricardo Bellisse and Ms. Glaucia Pacola, representing the Banco ABN AMRO Real S.A.; and Mr. Mário Sergio Cardim and Sylvio Almeida, representing Aval Consult Engenharia de Avaliações Ltda..

III. TOPICS DISCUSSED AND DELIBERATIONS:

III.1. Opening the meeting, the Chairman observed that, as previously announced, the purpose of the present meeting was to examine, discuss and vote on the Board's proposal and the amendment (Annexes 1 and 2) for the Company's acquisition of and the merger with the following companies: (i) Atlantis Holdings do Brasil Ltda. ('Atlantis'), limited company, with head offices in the City and State of São Paulo, at Avenida Alfredo Egídio de Souza Aranha, n.º 100, Bloco D, 5º floor, room A, registered with the Corporate Taxpayer Registry – (CNPJ/MF) n.º 03.236.149/0001-62, NIRE n.º 3521576279-6, holding shares representing 100% of the capital stock of Telmex do Brasil Ltda. ('TDB'), and (ii) Latam Brasil Participações S.A. ('Latam Brasil'), stock corporation with head offices at Rua Regente Feijó, n.º 166, 16ºfloor, room 1687-A, Centro, City and State of Rio de Janeiro, Corporate Taxpayer Registry (CNPJ/M) n.º 07165506/0001-08, NIRE 3330027511-8, and holding an equity stake representing 37.1% of the capital stock of Net Serviços de Comunicação S.A. ('NET'), both indirectly controlled by the controlling shareholder of the Company Teléfonos de México S.A. de C.V. ('Telmex'), as well as examining and deliberating on all other acts and measures relating to the said acquisition and merger.

III.2. As previously approved by this Board and announced on May 24th 2005, the Directors of Embrapar had been authorized to commission studies into the viability and benefit of purchasing all shares representing the entire capital stock of TDB and shares representing 37.1% of the capital stock of Net. The conclusion of these studies showed that this transaction, to be effected through the acquisition of and merger with of Atlantis and Latam Brasil by the Company, will add value to Embrapar's shareholders, since its implementation will further the development of its activities and the activities of its subsidiaries, in particularly Empresa Brasileira de Telecomunicações S.A. – Embratel ("Embratel"), through an increase in its business operations in markets in which those companies already enjoy a strong presence and though an expansion into other market sectors, notably the provision of local telephone services to Small and Medium-Sized Enterprises (SME) and Residential markets, on the basis that:

- in the case of TDB: the acquisition will enable the integration of around 500 (five hundred) km of urban fiber optic networks in 8 (eight) cities (especially São Paulo), connecting over 1,000 (one thousand) corporate buildings, allowing Embratel at once to: (i) increase significantly its last-mile capillarity to provide services to new corporate clients; and (ii) substantially expand its portfolio of corporate clients, with a focus on providing integrated Voice, Data and Internet services. This acquisition will also allow additional financial earnings derived from the operational and administrative synergies involved.

- in the case of NET: the merger with Latam will imply the acquisition of a stake in NET and the integration of Embrapar with the shareholders agreement with NET and with its controlling shareholder, GB Empreendimentos e Participações S.A. ("GB"), obtaining the following benefits: (i) enable a closer relationship between the two companies and the development of joint opportunities, particularly with respect to the possible use, by Embratel, of NET's network to provide integrated telecommunication services, including local and long distance telephony to a potential market of more than 6,700,000 (six million seven hundred thousand) residences and 700,000 (seven hundred thousand) SMEs within the NET network's area of coverage, as well as significantly increasing the capillarity for providing corporate services for accessing the more than 6,000 (six thousand) km of fiber optic cable included in the NET network; and (ii) ensure Embrapar the right to acquire the control of NET, through the exercise of the call option, according to the terms and conditions established in the shareholders' agreement of GB.

- in addition to the aforementioned tangible benefits, the merging of interests between the shareholders of Embrapar and the holding company Telmex will enable the transformation of the Embrapar into the single channel for promoting Telmex' strategy for expansion in the Brazilian telecommunications market, generating even greater operational efficiency and commercial effectiveness.

III.3. The Directors were informed that the Company's Fiscal Council has issued a report in favor of the Board's proposal for the Company's acquisition of and merger with of Atlantis and Latam Brasil, duly transcribed as follows: "The Fiscal Council members, in exercising their legal and statutory powers, carried out the examination and discussion of all the documents provided to them and listed in the Order of the Day and, based on in-depth discussions conducted with members of the Company's Administration and the clarifications provided by the members of the said Board and by the representatives of the specialized firms responsible for drafting the appraisals and valuation, unanimously and without restrictions issued a favorable opinion concerning: **(a)** the proposal of the Company's Board of Directors for the acquisition of and merger with Atlantis and Latam do Brasil, by Embrapar, in accordance with the Protocol, with complete absorbing the entire net worth of Atlantis and Latam Brasil and the transfer to the Company of all their respective rights and obligations, and the consequent increase in the Company's capital stock from R$4,096,713,387.00 (four billion, ninety-six million, seven hundred and thirteen thousand, three hundred and eighty-seven reais), to R$5,074,940,769.50 (five billion, seventy-four million, nine hundred and forty thousand, seven hundred and sixty-nine reais and fifty cents), represented by 988,758,654,307 (nine hundred and eighty-eight billion, seven hundred and fifty-eight million, six hundred and fifty-four thousand, tree hundred and seven) shares, comprising 512,480,331,944 (five hundred and twelve billion, four hundred and eighty million, tree hundred and thirty-one thousand, nine hundred and forty-four) common registered shares and (476,278,322,363 (four hundred and seventy-six billion, two hundred and seventy-eight million, tree hundred and twenty-two thousand, tree hundred and sixty-tree) preferred registered shares, through the issuance of 230,452,649,971 (two hundred and thirty billion, four hundred and fifty-two million, six hundred and forty-nine thousand and nine hundred and seventy-one) common shares, fully identical to those currently in existence, and which will participate in the income from the financial year in progress in proportion to the period following the date of their issuance, based on the appraisal of the net worth of the companies to be acquired and merged over by the Company; **(b)** the Reasons for Acquisition and Merger and the terms and conditions set out in the Acquisition and Merger Protocol; and **(c)** the terms set out in the appraisals of the Company, Atlantis and Latam Brasil, namely: (i) the appraisal of the book value of the net worth of the companies to be acquired and merged by the Company for the purposes of Embrapar's capital increase, produced by Aval Consult Engenharia de Avaliações Ltda. ("Consult") , company with head office at Rua Tabapuã, n.º 821 - 1st floor, Block 22, City and State of São Paulo, registered with the Corporate Taxpayer Registry (CNPJ/MF) n.º 48.882.971/0001-39, with the São Paulo Regional Economic Council (CORECON/SP) n.º RE/5.279 and with the São Paulo Federal Engineering, Architecture and Agronomy Council (CREA/SP) n.º 0209030; (ii) the appraisal of the net worth, at market prices, of the companies involved in the transaction , produced by Consult; and (iii) the valuation of the economic value of the companies involved in the transaction, realized by the Banco ABN AMRO Real S.A. ('ABN AMRO'), a company with head office at Avenida Paulista, n.º 1374 - 3º floor, Bela Vista, São Paulo – SP, registered with the Corporate Taxpayer Registry (CNPJ/MF) n.º 33.066.408/0001-15, NIRE no. 3530013747-7. Rio de Janeiro, September 30th 2005. (Authors) Ruy Dell'Avanzi, Edison Giraldo and Erasmo Simões Trogo.

III.4. It was recorded that, on this date, the members of the Board of Directors were presented with: (a) the economic-financial valuation study on the companies involved in the acquisition of and merger with transaction, produced by the ABN AMRO Real S.A. Bank (‘ABN AMRO’), company with head office at Avenida Paulista, n.º 1374 - 3º andar, Bela Vista, São Paulo – SP, registered with the Corporate Taxpayer Registry (CNPJ/MF) n.º 33.066.408/0001-15, NIRE no. 35.300.137.477; and (b) the fairness opinions of ABN AMRO and Citigroup Global Markets, Inc., (‘Citigroup’), company duly constituted in accordance with the laws of New York State, United States of America, with head office at 388 Greenwich Street, New York, New York 10013, certifying, from the financial point of view to Embrapar shareholders, that the ratio of exchange of shares established in the protocol for the Company's acquisition of and merger with Atlantis and Latam Brasil (‘Protocol’) (“fairness opinion”) is fair; these documents, after duly signed by the Audit Committee (“Fiscal Council”) members, have been filed at the Company’s head office.

III.5. It was also recorded that the Agência Nacional de Telecomunicações - ANATEL, consulted in advance, stated that the terms and conditions of the Acquisition and Merger meet the requirements of the existing legislation, and all approvals required were obtained. As a result, the implementation of the Acquisition and Merger does not depend on any other government approvals.

III.6. Based on the above items and following the presentation of the necessary clarifications, and discussion and analysis of the documents and information presented, the members of the Board of Directors decided unanimously and without restrictions:

III.6.1. To approve the reasons for acquisition of and merger with (‘Reasons’) and the terms and conditions of the Protocol draft, to be signed on this date by the Board of Directors of the companies, and which will be included in the present minutes in Annexes 3 and 4.

III.6.2. To ratify the contracting of ABN AMRO to undertake the economic-financial valuation of the companies involved in the transaction, in order to determine the ratios of exchange for the corporate shareholdings of the companies to be dissolved through the acquisition by and merger with the Company.

III.6.3. Ratify the contracting of Aval Consult Engenharia de Avaliações Ltda., (“Consult”) , company with head office at Rua Tabapuã, n.º 821 - 1 andar, conjunto 22, City and State of São Paulo, registered with the Corporate Taxpayer Registry (CNPJ/MF) n.º 48.882.971/0001-39, with the São Paulo Regional Economic Council CORECON/SP n.º RE/5.279, and with the São Paulo Federal Engineering, Architecture and Agronomy Council (CREA/SP) n.º 0209030, in its capacity as a specialized company, to carry out: (i) the appraisal of the net worth, at market prices, of the companies involved in the operation; and (ii) an appraisal of the book value of the net worth of the companies to be acquired and merger with, taking into account the sums recorded in the financial reports of the aforesaid companies, both conducted on June 30th 2005.

III.6.4. Confirm the contracting of ABN AMRO and Citigroup to certify that the ratios of exchange of shares have been fairly established (the "fairness opinion") from a financial point of view.

III.6.5. Approve the terms set out in the appraisals and their submission to the shareholders: (i) the appraisals produced by Consult on the book value of the net worth of the companies to be acquired and merged with by the Company for the purposes of Embrapar's capital increase; (ii) the appraisals s produced by Consult on the net worth, at market prices, of the companies involved in the operation; and (iii) the economic valuation by ABN AMRO of the companies involved in the operation.

III.6.6. Approve the ratio of exchange for the substitution of shares for the corporate shareholdings of the companies to be dissolved through merger with the Company, as outlined in the Protocol.

III.6.7. Approve the proposal for the acquisition of and merger with of Atlantis and Latam do Brasil, by Embrapar, in accordance with the Protocol, with complete acquisition of the net worth of Atlantis and Latam Brasil and the transfer to the Company of all their respective rights and obligations, and the consequent increase in the Company's capital stock, rising from R$4,096,713,387.00 (four billion, ninety-six million, seven hundred and thirteen thousand and three hundred and eighty-seven Reais), to R$5,074,940,769,50 (five billion, seventy-four million, nine hundred and fourty thousand, seven hundred and sixty-nine reais and fifty cents), represented by 988,758,654,307 (nine hundred and eighty-eight billion, seven hundred and fifty-eight million, six hundred and fifty-four thousand, tree hundred and seven)shares, comprising 512,480,331,944 (five hundred and twelve billion, four hundred and eighty million, tree hundred and thirty-one thousand, nine hundred and forty-four) common registered shares and 476,278,322,363 (four hundred and seventy-six billion, two hundred and seventy-eight million, tree hundred and twenty-two thousand, tree hundred and sixty-tree) preferred registered shares, with an increase, therefore, of R$978,227,382.50 (nine hundred and seventy-eight million, two hundred and twenty-seven thousand, tree hundred and eighty-two reais and fifty cents), resulting from the issuance of 230,452,649,971 (two hundred and thirty billion, four hundred and fifty-two million, six hundred and forty-nine thousand, nine hundred and seventy-one) common shares, fully identical to those currently in existence, and which will participate in the income of the financial year in progress, proportional to the period following the date of their issuance, based on the appraisal of the book value of the net worth assets of the companies to be taken over by the Company.

III.6.8. Approve convocation of the extraordinary general meeting to submit the items covered by the present resolutions to the shareholders for approval.

III.6.9. In the hypothesis of absence of the President and Vice-President of the Board of Directors, in way that none of the them is available to conduct the extraordinary general meeting mentioned above, delegate to others members of the Board the power and authority to conduct it, being able to practice all the acts necessary to this end.

III.6.10. Authorize the Company's Board of Directors to undertake all measures required to implement the resolutions hereby made.

IV. ADJOURNMENT OF THE MEETING. All business concluded, the meeting was adjourned and the present corresponding minutes drafted, read, approved and signed by the members of the Board of Directors and the Audit Committee and the Secretary, thereby included in the Book of Minutes.

Rio de Janeiro, September 30th 2005.

SIGNATURES:

BOARD OF DIRECTORS

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CARLOS HENRIQUE MOREIRA - PRESIDENT

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JOSÉ FORMOSO MARTÍNEZ - VICE-PRESIDENT

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MARIA SILVIA BASTOS MARQUES

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DILIO SERGIO PENEDO

____
JOEL KORN

FISCAL COUNCIL:

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RUY DELL'AVANZI

____
EDISON GIRALDO

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ERASMO SIMÕES TROGO

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ANTONIO OSCAR DE CARVALHO PETERSEN FILHO
General Secretary