

EMBRATEL PARTICIPAÇÕES S/A

**PUBLICLY HELD COMPANY
CNPJ No. 02.558.124/0001-12**

MATERIAL FACT

Embratel Participações S.A., a joint stock company, with its registered office in the City and State of Rio de Janeiro, at Avenida Presidente Vargas, 1012, enrolled in the Federal Register of Corporate Taxpayers - CNPJ under number 02.558.124/0001-12 (“**EMBRAPAR OR COMPANY**”), hereby communicates to its shareholders and the general public that WorldCom, Inc. (“**MCI**”), company holder of 51.79% of the common shares (19.26% of the capital stock) issued by Embrapar, informed that it entered into an agreement to alienate its ownership interest in the Company to Teléfonos de Mexico S.A. (“Telmex”) for the value US\$ 360.000,000.00 (three hundred and sixty millions US Dollars). Embrapar owns 98.77% of the total capital of Empresa Brasileira de Telecomunicações S.A – Embratel. MCI also informed that the conclusion of the sales operation is subject to the approval of the US Bankruptcy Court and the competent authorities and regulatory agencies in Brazil. The sale has been approved both by the Board of Directors of MCI and by its Official Creditors Committee.

Additional information may be obtained from the website www.embratel.com.br

Rio de Janeiro, March 15, 2004.

Norbert Glatt
Investor Relations Officer