

Rio de Janeiro, Brazil – March 15, 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 ANNOUNCES
MCI ENTERS AGREEMENT TO SELL ITS INVESTMENT TO TELMEX

Embratel Participações S.A. (Embrapar) announced today that it has been informed by MCI (WCOEQ, MCWEQ) that MCI has entered a definitive agreement to sell its 19.26 percent economic interest and a 51.79 percent voting interest in Embrapar to Teléfonos de México, S.A. de C.V. (BMV: TELMEX; NYSE: TMX; NASDAQ: TFONY; LATIBEX: XTMXL) (Telmex) for US\$360 million in cash. Completion of the sale is subject to approval by the U.S. Bankruptcy Court and Brazilian regulatory authorities with filings to anti-trust and securities agencies.

Embrapar was also informed by MCI that the Telmex offer was approved by both the MCI Board of Directors and by its Official Committee of Unsecured Creditors.

Embratel is committed to its customers, employees and stockholders. "While this process is taking place, Embratel will remain focused on serving corporate, government and residential clients with the quality that has rendered its leadership position as the premium telecommunications service provider in Brazil", said Jorge Rodriguez, President of Embratel. The Company will continue to endeavor to foster the interests of its clients, employees, shareholders and various stakeholders.

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.

- - X - -

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 MCI's bankruptcy proceedings and matters related thereto, as well as regulatory risks and 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.

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