

RELEVANT FACT

EMBRATEL PARTICIPAÇÕES S.A.
Public Company
Corporate Taxpayer Registry n.º 02.558.124/0001-12

A Embratel Participações S.A. (“Company” or “Embrapar”) informs that it concluded the acquisition and merger, by the Company, of the total capital stock of Telmex do Brasil Ltda. (‘TDB’) and (ii) a corporate stake corresponding to 37.1% of the capital stock of Net Serviços de Comunicação S.A. (‘NET’), owned by Teléfonos de México S.A. de C.V. (‘Telmex’) announced on May 24, 2005 and in October 3, 2005.

The acquisition and merger transaction was implemented through the merger of the Atlantis Holdings do Brasil Ltda. (“Atlantis”) and Latam do Brasil Participações S.A. (“Latam do Brasil”), companies which hold the participation in the capital stock of TDB and NET, respectively. The merger and acquisition transaction was approved by the majority of the shareholders present at the extraordinary shareholder meeting of Embrapar and by the unanimous vote of LATAM’s shareholders in the Extraordinary General Meetings and the by the unanimous vote of Atlantis’ limited partners at today’s date.

As a consequence of the acquisition and merger, Embrapar’s capital stock will be R\$5,074,940,769.50 (five billion seventy four million, nine hundred and forty thousand, seven hundred and sixty nine and fifty cents) divided into 988,758,654,307 (nine hundred and eighty-eight billion, seven hundred and fifty-eight million, six hundred and fifty-four thousand, three hundred and seven) registered shares without face value, comprising 512,480,331,944 (five hundred and twelve billion, four hundred and eighty million, three hundred and thirty-one thousand, nine hundred and forty-four) ordinary shares and 476,278,322,363 (four hundred and seventy-six billion, two hundred and seventy-eight million, three hundred and twenty-two thousand, three hundred and sixty-three) preferred shares.

For more information see the Company’s website www.embratel.com.br

Rio de Janeiro, October 24th de 2005

EMBRATEL PARTICIPAÇÕES S.A.
ISAAC BERENSZTEJN
INVESTOR RELATIONS DIRECTOR