

**EMBRATEL PARTICIPAÇÕES S.A.**

CGC/MF No. 02.558.124/0001-12

NIRE 53 3 0000578 8

**Public Corporation**

Registered in CVM\*, under No.01764-7

\* CVM = Brazilian Securities and Exchange Commission

Minutes of Special Shareholders Meeting of Embratel Participações S.A., held on 18th November, 1998, prepared in summary form:

**1. Date, time and place:** On 18th November, at 8 a.m., in North Commercial Sector, Square 03, Block "A", 2nd floor, in Brasília, Federal District;

**2. Attended by:** Shareholders of EMBRATEL PARTICIPAÇÕES S.A., as per registries and signatures in Book of Shareholders Attendance representing more than 25% of the entire corporate capital of the Company, with legal quorum for calling meeting to order complied with. Also present were a member of the Audit Committee, Mr. Ruy Dell'Avanzi, the President, Mr. Michael James Rowny, and the Director of Investor Relations, Mr. Dílio Sérgio Penedo.

**3. Chairman:** Michael James Rowny

Secretary: João Ricardo de Azevedo Ribeiro

**4. Convened by:** Announcement published, pursuant to the terms of Article 124 of Law No. 6404/76, Federal Official Gazette, Section 3, in the editions of 9th, 10th and 11th November, 1998, and in Gazeta Mercantil on the same dates.

**5. Agenda:** **1)** Management Agreement, to be signed between Empresa Brasileira de Telecomunicações S.A. - EMBRATEL ("EMBRATEL") and MCI Global Resources, Inc., **2)** Expense Reimbursement Agreement, to be signed between EMBRATEL and MCI Global Resources, Inc., **3)** Alteration in the composition of the Company's Audit Committee; and **4)** other topics of corporate interest.

**6.** Decisions made by a majority of votes of the shareholders attending the Meeting, including those present holding preferred shares, in compliance with the Sole Paragraph of Article 13 of the By-Laws, with abstention of controlling shareholder Startel Participações Ltda., the expressions of vote being received by the Chairman in writing, appended to these minutes;

**6.1** - Item 1 on the Agenda:

**6.1.1** The Chairman explained to the meeting that, as called for by the Company's By-Laws, the signing of long-term contracts not having standard components, between the Company or its controlled entities on the one hand, and the controlling shareholder of the Company or controlled and affiliated companies, subject to common control or controlling of the latter by the other, is subject to prior approval by the Shareholders Meeting, with the shareholders holding preferred stock being entitled to vote in such discussions.

**6.1.2** Presentation was then made and discussion took place on the terms and general conditions of the Management Agreement to be signed between Empresa Brasileira de Telecomunicações S.A. - EMBRATEL, the subsidiary firm of the Company, and MCI Global Resources, Inc. The Chairman emphasized that the terms and conditions of the relevant agreement were the object of approval by the Company's Board of Directors.

**6.1.3** Approval was given to the signing by EMBRATEL with MCI Global Resources, Inc., of the above-mentioned Management Contract, by more than 95% of the votes of attending shareholders, not taking into consideration the shares of the controlling shareholder Startel Participações Ltda., that abstained from voting.

**6.2** Item 2 on the Agenda:

**6.2.1** Proceeding to the next Item, the Chairman reported that the approval of the Expense Reimbursement Agreement, to be signed between EMBRATEL and MCI Global Resources, Inc., is also subject to prior approval by the Shareholders Meeting, with the shareholders with preferred stock also be entitled to vote in the respective discussions.

**6.2.2** Presentation was then made, and discussion took place, on the general terms and conditions of the above-mentioned Expense Reimbursement Agreement. In this case too, the Chairman pointed out that the terms and conditions of the said contract had also been the object of approval by the Company's Board of Directors.

**6.2.3** Approval was given to the signing by EMBRATEL with MCI Global Resources, Inc., of the above-mentioned Expense Reimbursement Agreement, by more than 95% of the votes of attending shareholders, not taking into consideration the shares held by the controlling shareholder Startel Participações Ltda., which abstained from voting.

**7.** Item 3 on the Agenda:

**7.1** Decisions made by a majority of votes of preferred stock shareholders:

**7.1.1** The Chairman reported that the Company had received a request from shareholders for the substitution of Mr. Sérgio Magalhães Gonçalves, a member of the Audit Committee who had been elected by preferred stock shareholders.

**7.1.2** The meeting then proceeded to elect the new member of the Audit Committee, a single candidate having been presented by attending shareholders. The meeting elected as a regular member of the Audit Committee of shareholders holding preferred stock Mr. João Luiz Vollmer Motta Paes, Brazilian nationality, married, data processing analyst, identity card No.199.162/DF, enrolled in the CPF/MF under No. 000.426.841-53, residing and domiciled in the City of Brasília, Federal District, in SHIS Q1.24, group 06, house 05, Lago Sul, who will be sworn in to his post within the time period referred to in article 149 of Law No. 6404/76, complementing the term of office of board member Sérgio Magalhães Gonçalves, now substituted, and will remain in his post until the 2001 General Shareholders Meeting.

**8. Closing of Meeting:** No further matters being dealt with, the minutes of this Meeting were drawn up, and were approved and signed by those in attendance.

Signatures: Michael J. Rowny, Chairman of Meeting; João Ricardo de Azevedo Ribeiro - Secretary; Ruy Dell'Avanzi - Member of Audit Committee; SHAREHOLDERS: (a) by their attorney-of-fact, Mário Selleri, the following shareholders: the Brazil MSCI Emerging Markets Index Common Trust; Templeton World Fund; Emerging Markets Growth Fund, Inc.; Templeton Emerging Markets Fund; Templeton Asset Allocation Fund; Templeton International Emerging Markets Fund; Templeton Global Real Estate Fund; Emerging Markets Investment Fund; Capital International Emerging Market Fund; Templeton Emerging Markets Appreciation Fund; Templeton Developing Markets Trust; Templeton Emerging Markets Fund, Inc.; Emerging Markets Trust; Templeton Emerging Markets Series; Templeton Global Investment Trust; Templeton Global Infrastructure Fund; Templeton Development Markets Equity Fund; Templeton Emerging Markets Appreciation Fund, Inc.; Capital International Emerging Countries Fund; Templeton Developing Markets Fund; State Street Emerging Markets; The Seven Seas Series Emerging Markets Fund; (b) by their attorney-of-fact Fernando Nunes Simões, the following shareholders: Fundação SISTEL de Seguridade Social;

Fundo Mútuo de Investimento em Ações Carteira Livre - BB;  
Fundo Mútuo de Investimento em Ações Carteira Livre - BB  
Carteira Livre; Fundação Petrobrás de Seguridade Social -  
PETROS, Fundação Eletrobrás de Seguridade Social; Caixa  
de Previdência dos Funcionários do Banco do Brasil -  
PREVI; Fundação dos Economiários Federais - FUNCEF; (c)  
Roberto de Oliveira Lima; (d) by their attorney-of-fact  
Ricardo Barretto, Startel Participações Ltda., (d) by  
their attorney-of-fact Claudio Maurício Freddo, Telesp  
Participações S.A.; (c) by their attorney-of-fact  
Christiane Lemos the following shareholders: Fundo Mútuo  
Garantia de Investimentos em Ações; CIBC Oppenheimer  
Corp.; Larrain Vial S.A.; Garantia Equity Fund; Garantia S  
fdo. Mútuo de Investimento em Ações CL; Garantia MS Fdo.  
Mútuo de Investimento em Ações Carteira Livre; Garantia  
Banking, Ltd.; (f) Daniel Eldon Crawford; (g) Paul  
Steinke; (h) Sérgio Spinelli Silva, Jr.; (i) Alvaro  
Antônio do Cabo Notaroberto Barbosa; (j) João Ricardo de  
Azevedo Ribeiro.

I hereby certify that this is a faithful copy of the  
minutes drawn up in the Book of Minutes of Shareholders  
Meetings.

(s) João Ricardo de Azevedo Ribeiro

Secretary of Meeting