



Rio de Janeiro, Brazil – October 20, 2003

Embratel Participações S.A.
NYSE: EMT; BOVESPA: EBTP3, EBTP4

The Company holds 98.8 percent of
Empresa Brasileira de Telecomunicações S.A.
("Embratel").

EMBRATEL SELLS CLEARINGHOUSE TO VERISIGN SUBSIDIARY

Embratel announced today that it has sold its Clearinghouse subsidiary to a Brazilian subsidiary of VeriSign, Inc. for US\$16 million. Embratel created the clearing house business when cellular services was initiated in Brazil in order to provide settlement and payment mechanisms between these companies. This expertise and know how was further enhanced to develop Embratel Clearing House to be the leading provider of clearing services in the Brazilian telecommunications market, including the provision of solutions to the fixed lines operators.

To perform this service Embratel developed proprietary software solutions and actively marketed its products to the entire telecommunications industry, gaining contracts with virtually all players in the market. This business was managed as an independent business unit since 1999.

The rationale to sell this business unit was in response to the customers preference to have an independent provider, whose core business is to provide clearing services globally. With this transaction, Embratel was able to monetize its value, while ensuring that customers continue to have their needs addressed by an experienced company.

About Embratel:

Embratel is the premier communications provider in Brazil offering a wide array of advanced communications services over its own state-of-the-art network. It is the leading provider of data and Internet services in the country. Service offerings: include telephony, advanced voice, high-speed data communication services, Internet, satellite data communications, corporate networks and local voice services for corporate clients. Embratel is uniquely positioned to be the all-distance telecommunications network of South America. The Company's network is has countrywide coverage with 28,868 km of fiber cables comprising 1,068,657 km of optic fibers. <http://www.embratel.com.br>

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Note: Except for the historical information contained herein, this news 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, including financial, regulatory environment and trend projections. Although the Company believes that its expectations are based on reasonable assumptions, it can give no assurance that its expectations will be achieved. The important factors that could cause actual results to differ materially from those in the forward-looking statements herein include, without limitation, the Company's degree of financial leverage, risks associated with debt service requirements and interest rate fluctuations, risks associated with any possible acquisitions and the integration thereof, risks of international business, including currency risk, dependence on availability of interconnection facilities, regulation risks, contingent liabilities, collection risks, and the impact of competitive services and pricing, as well as 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.

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