

"This report is hereby incorporated by reference into Post-Effective Amendment No. 1 to our registration statement on Form F-3 (File No. 001-14499), filed with the Securities and Exchange Commission on March 1, 2005."

EMBRATEL PARTICIPAÇÕES S.A.

CNPJ/MF n.º 02.558.124/0001-12
NIRE 3330026237-7

(Free Translation)

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS

DATE, TIME AND PLACE: May 23, 2005, at 3:10 PM, at the Company's headquarter at Rua Regente Feijó n° 166/1687-B – Centro, Rio de Janeiro, RJ.

CALL TO THE MEETING AND PRESENCE: The members of the Board of Directors were called to the meeting in a regular manner, having participated of the meeting the members of the Board of Directors that signed below.

AGENDA: Ratification of the Company's capital increase, approved on a meeting held on February 3, 2005 and rectified and ratified on February 23, 2005.

Initially, the Company's directors presented the result of the Company's capital increase process, informing that all shares offered for subscription were subscribed and fully paid in, in the following way:

- (a) Capital increase approved: R\$1,822,800,000.00, increasing the capital from R\$2,273,913,387.00 to R\$4,096,713,387.00;
- (b) Total shares offered for subscription: 157,658,651,441 common shares and 266,248,325,303 preferred shares, increasing the Company's total shares to 282,027,681,973 common shares and 476,278,322,363 preferred shares;
- (c) Total shares subscribed: the total shares offered, being 157,658,465,218 common shares and 266,175,618,346 preferred shares subscribed by the company's shareholders during the preemptive rights exercise period and 186,223 common shares and 72,706,957 preferred shares subscribed at an auction held at the São Paulo Stock Exchange on May 3, 2005;
- (d) The shares subscribed by the shareholders during the preemptive rights period, were subscribed and fully paid in for the issue price of R\$4.30 per lot of one thousand shares, for both classes of shares. The preferred shares subscribed in the auction at the São Paulo Stock Exchange were also subscribed and fully paid in by the issue price. The common shares were subscribed at a price of R\$4.31 per lot of one thousand shares;
- (e) Having in consideration that the common shares offered at the auction of unsubscribed shares were subscribed at a price of R\$4.31 (four reais and thirty-one cents) per lot of one thousand shares, resulting in additional subscription of R\$1.86 (One real and eighty-six cents), such difference will be recorded in the Company's bookkeeping as goodwill of

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the auction of unsubscribed shares.

DELIBERATION: Having in consideration the facts above, the members of the Board of Directors that participated of the meeting, unanimously and without restrictions, approved the ratification of the capital increase of the Company, in the terms of the deliberation of the meeting held on February 3, 2005 and rectified and ratified on February 23, 2005, from R\$2,273,913,387.00 (two billion, two hundred seventy three million, nine hundred thirteen thousand, three hundred eighty seven reais), to R\$4,096,713,387.00 (four billion, ninety six million, seven hundred thirteen, three hundred eighty seven reais), represented by 282,027,681,973 common shares and 476,278,322,363 preferred shares, with an increase, therefore, of R\$1,822,800,000.00 (one billion, eight hundred twenty two million, eight hundred thousand reais), resulting from an issue and subscription of 157,658,651,441 (one hundred fifty seven billion, six hundred fifty eight million, six hundred fifty one thousand, four hundred forty one) new common shares and 266,248,325,303 (two hundred sixty six billion, two hundred forty eight million, three hundred twenty five thousand, three hundred and three) new preferred shares, all of them identical to the outstanding shares.

Opportunely, the Company's administration will suggest to the General Meeting of Shareholders to amend article 5 of the Company's By-Laws, in order to incorporate the capital increase ratification.

CLOSING OF THE MEETING. As there was nothing further to be dealt with, the meeting was adjourned and these minutes were drafted, which being read and approved, were signed by the members of the Board of Directors and of the Board of Auditors present, and by the Secretary, and copied in the book of minutes.

Rio de Janeiro, May 23, 2005.

SIGNATURES:

BOARD OF DIRECTORS

CARLOS HENRIQUE MOREIRA - CHAIRMAN

JOSÉ FORMOSO MARTÍNEZ - VICE CHAIRMAN

MARIA SILVIA BASTOS MARQUES

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DILIO SERGIO PENEDO

JOEL KORN

ALBERTO DE ORLEANS E BRAGANÇA

OSCAR VON HUSKE SOLIS

ANTONIO OSCAR DE CARVALHO PETERSEN FILHO
General Secretary