

Rio de Janeiro, Brazil – June 29, 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").

EMBRATEL COMMENCES REGISTERED EXCHANGE OFFER

Rio de Janeiro, Brazil. – June 29, 2004 –Embratel Participações S.A. ("Embrapar") announced today that its subsidiary, Empresa Brasileira de Telecomunicações S.A.— Embratel ("Embratel"), has commenced an offer to exchange up to \$275 million aggregate principal amount of Embratel's registered 11.0 % Guaranteed Notes due 2008 (the "New Notes") for any and all of Embratel's outstanding unregistered 11.0 % Guaranteed Notes due 2008 (the "Old Notes"). The expiration date for the exchange offer will be 5:00 p.m., Eastern Standard Time (EST), on July 28, 2004, unless extended.

The New Notes are substantially identical to the Old Notes, except that the New Notes have been registered under the Securities Act of 1933, as amended, and will not bear any legend restricting their transfer.

The terms of the exchange offer and other information relating to Embrapar and Embratel are set forth in a prospectus dated June 29, 2004. Copies of the prospectus and the related letter of transmittal may be obtained from the exchange agent – Deutsche Bank Trust Company Americas, Corporate Trust and Agency Group, 60 Wall Street, New York, New York 10005, Attn: Corporate Market Services, telephone 1(800) 735-7777, fax number 1(615) 835-2700.

This announcement is neither an offer to sell nor a solicitation of an offer to buy or exchange the New Notes or the Old Notes. The exchange offer is made solely by the prospectus dated June 29, 2004.

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.

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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 to 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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