



Embratel Participações S.A.
CNPJ/MF 02.558.124/0001-12
N.I.R.E. 3330026237-7
A Public Company

MATERIAL FACT

Embratel Participações S.A. (“Company”), in compliance with the provisions of Instruction no. 358/02 of the Brazilian Securities and Exchange Commission, hereby announces to the public and to its shareholders that Teléfonos de México, S.A. de C.V. (“TELMEX”), as controlling shareholder of the Company, and Telmex Solutions Telecomunicações Ltda. (“Offeror”), as offeror of the voluntary tender offer under different procedures for the purchase of all of the common and preferred shares of the Company, launched concurrently in Brazil and the United States on October 3, 2006 (“Voluntary Tender Offer”), announced on November 7, 2006 that, after expiration of the offer period and following the auction carried out on that same date, the Offeror acquired 3,626,089,453 common shares and 234,765,943,746 preferred shares of the Company (including preferred shares represented by ADSs). As a result, TELMEX now holds, through its subsidiaries, 98.0% of all common shares and 94.7% of all preferred shares of the Company, representing approximately 96.4% of the total capital stock of the Company.

Considering that the number of shares acquired by the Offeror in the auction represents more than 2/3 of the publicly held shares of the Company prior to the auction, TELMEX and the Offeror announced additionally that:

- (i) the first condition for the cancellation of the registration of the Company as a public company set forth in item 3.1 of the Notice of Voluntary Tender Offer has been satisfied;
- (ii) for the next three months through February 7, 2007, the holders of the remaining publicly held common and preferred shares of the Company may sell their shares to the Offeror, at the Voluntary Tender Offer price, adjusted by the Brazilian monthly Taxa Referencial – TR, *pro rata temporis*, from May 8, 2006, the date the tender offer was announced, up to the date of settlement of such sale, pursuant to item 7.2 of the Notice of Voluntary Tender Offer; and

(iii) the statement by the Brazilian Federal Telecommunications Agency – ANATEL with respect to the cancellation of the registration of the Company as a publicly held company in Brazil, as well as the other conditions set forth in item 3.1 of the Notice of Voluntary Tender Offer, are still pending.

Rio de Janeiro, November 7, 2006

Embratel Participações S.A.
Isaac Berensztejn
Investor Relations Officer

Embratel Participações S.A. is the holding company of Embratel, a leading integrated telecommunications provider offering solutions to business and services to residential customers all over Brazil. Service offerings include: outsourcing, high-speed data communications, Internet, corporate networks, advanced voice and international, domestic and local telephony. Embratel operates a proprietary state-of-the-art network with country wide coverage and presence in Brazil's main metropolitan areas. It also controls Telmex do Brasil, a corporate business telecommunications provider and has a 43.0 percent economic interest in Net Serviços, Brazil's leading pay TV operator.