



EMBRATEL PARTICIPAÇÕES S.A.—NOTICE TO INVESTORS

ANNUAL REPORT ON FORM 20-F FOR 2005

Embratel Participações S.A. (the “Company”) has become aware of errors in the U.S. GAAP financial information as of and for the year ended December 31, 2005 that the Company presented in its annual report on Form 20-F for the year ended December 31, 2005 (the “2005 Form 20-F”), filed with the U.S. Securities and Exchange Commission (the “SEC”) on July 14, 2006. This information was presented primarily in note 33 to the financial statements and was also referred to elsewhere in the report. These errors do not affect the Company’s financial information prepared in accordance with Brazilian GAAP.

With respect to December 31, 2005 and the year then ended, the U.S. GAAP reconciliation in note 33 to the financial statements and the other U.S. GAAP information in the 2005 Form 20-F should no longer be relied upon. The Company’s independent public accountants, Ernst & Young Auditores Independentes S.S., have advised the Company that their audit opinion included in the 2005 Form 20-F with respect to the U.S. GAAP reconciliation contained in note 33 may no longer be relied upon.

“U.S. GAAP” refers to generally accepted accounting principles in the United States. In the past, the Company was required to file an annual report with the SEC that included certain financial information presented in accordance with U.S. GAAP.

On June 29, 2007, however, the Company ceased to file reports with the SEC. As a result, the Company is no longer presenting financial information in accordance with U.S. GAAP, and it does not intend to amend its 2005 Form 20-F or to restate the U.S. GAAP information it presented in the past.

Rio de Janeiro, August 27, 2007