EARNINGS RELEASE
Fiscal Year and Fourth Quarter 2001
February 5, 2002

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Embratel Participações Earnings Release

Fiscal Year and Fourth Quarter 2001 Results[1]

Rio de Janeiro, Brazil - February 5, 2002

Embratel Participações S.A. (Embratel Participações or the "Company")
NYSE: EMT; BOVESPA: EBTP3, EBTP4
The Company holds 98.8 percent of Empresa Brasileira de Telecomunicações S.A. ("Embratel").

[1] All financial figures are in Reais and based on consolidated financial statements in "Legislação Societária".

EMBRATEL REPORTS 2001 REVENUES OF R$7.5 BILLION

11 percent growth in 2001

Improved revenue mix and EBITDA expected in 2002

Exhibit 1 R$ thousands	1Q01	2Q01	3Q01	4Q01	% Var QoQ	2000	2001	% Var YoY
Net Revenues	1.842.726	1.860.480	1.911.869	1.845.881	-3,5%	6.714.508	7.460.956	11,1%
Ebitda	422.175	401.765	390.544	(199.050)	-151,0%	1.703.611	1.015.435	-40,4%
Ebit	172.367	141.917	121.583	(482.063)	-496,5%	846.809	(46.196)	-105,5%
Net Income/(Loss)	(33.747)	(38.829)	(194.835)	(286.260)	-46,9%	577.090	(553.671)	-195,9%

- **2001 Net revenues rose 11.1 percent to R$7.5 billion. Fourth quarter net revenues were R$1.8 billion.**
  In a very competitive environment, Embratel grew revenues, solidified its leadership in the data market, increased sales volumes and prepared itself for additional opportunities and challenges. In addition, in the fourth quarter of 2001, Embratel implemented the first phase of a comprehensive call management system with enhanced call blocking to improve voice revenue quality. While improving voice revenue quality in future quarters, this call control system did result in the previously disclosed equipment write-down (R$85 million) and adjustment to the bad debt provision (R$520 million).

- **2001 EBITDA was R$ 1.0 billion. Fourth quarter EBITDA loss was R$199 million.**
  The fourth quarter included extraordinary R$520 million provision for bad debt.

- **2001 Net result was a loss of R$554 million. Fourth quarter net losses were R$286 million.**
  The fourth quarter of 2001 loss reflects the bad debt provision and the R$85 million write-down of switching equipment associated with the call management implementation and other assets.

- **Data communications revenue grew 13 percent in 2001.**
  Core data services grew 21.7 percent and market share was maintained despite heightened competition, steep price declines and migration of services. Embratel's quality and reliability coupled with responsive pricing should assure continued leadership.

- **The company was successful in obtaining favorable local market entry conditions.**
  With local services Embratel can complete the suite of services that can be delivered to selected customers. The company already has connectivity to thousands of key business locations and existing customers.

- **Capital expenditures were R$ 1.5 billion.**
  With 3 year CAPEX investment of nearly R$5 billion, Embratel is poised to capitalize on opportunities in emerging local and data markets.

Exhibit 2
Net Revenues 2001
R$ 7,461 million

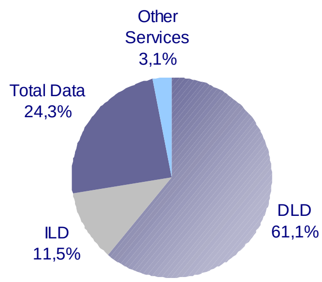
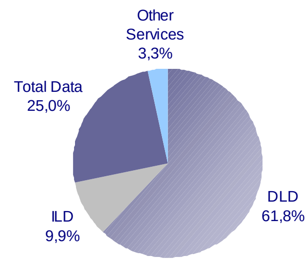


Exhibit 2
Net Revenues 4Q 2001
R$ 1,846 million



Data Communication Services

Market share stable despite strong competition

Exhibit 3 R$ thousands	1Q01	2Q01	3Q01	4Q01	% Var QoQ	2000	2001	% Var YoY
Total Data	**459.652**	**434.780**	**458.644**	**461.653**	**0,7%**	**1.605.563**	**1.814.729**	**13,0%**
Data & Internet	421.206	403.097	430.136	436.660	1,5%	1.389.703	1.691.099	21,7%
Wholesale	38.446	31.683	28.508	24.993	-12,3%	215.860	123.630	-42,7%

Data communications revenues rose 13.0 percent to R$1.8 billion compared to 2000. This growth resulted from increases in data services revenues outpacing the anticipated decline in wholesale data revenues. In the fourth quarter of 2001, data revenues rose 4.0 percent compared to the equivalent quarter of 2000.

The data services revenues, which include corporate networks, frame relay services and Internet grew 21.7 percent when compared to 2000. Internet revenues rose more than 60.0 percent in the year. Internet revenues currently account for almost 30.0 percent of Embratel's data revenues compared to 20.3 percent a year ago.

Embratel's core data services experienced strong volume growth in 2001. The number of billed frame relay ports rose more than 100.0 percent. Volumes expressed in 2 Mbits equivalents of dedicated services for corporate networks rose 60.0 percent. In addition, during 2001, Embratel grew its internet capacity by 153.0 percent in response to continued demand for nationwide quality services. Despite the strong price competition in 2001, Embratel maintained its core data market share. "We expect to maintain our share over the foreseeable future based upon our position as the only true national data network with a complete differentiated suite of products" said President and CEO Jorge Rodriguez.

In the fourth quarter of 2001, core data revenues rose 8.3 percent to R$437 million year-over-year. Compared to the third quarter of 2001 core data revenues grew 1.5 percent. In preparing for continued aggressive competition and to maintain leadership in the internet space, the company reduced, in December, certain product prices to drive further growth and insulate itself from competitors. While the company expects internet revenues to decrease slightly in the first quarter, growth in 2002 overall should be positive.

As expected, the wholesale market continued to decline. On an annual basis, wholesale revenues dropped 42.7 percent to R$124 million. These revenues now represent only 6.8 percent of total data communications revenues.

Exhibit 4
Net Data Communications
R$ thousands

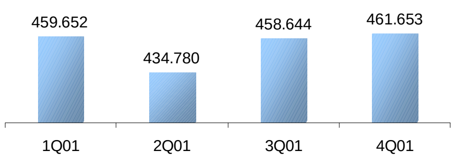
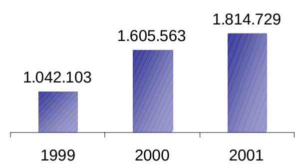


Exhibit 5
Net Data Communications
R$ thousands



21 Voice Services

Quality of revenue improves through active call management

Exhibit 6 R$ thousands	1Q01	2Q01	3Q01	4Q01	% Var QoQ	2000	2001	% Var YoY
Total Voice	**1.328.079**	**1.367.510**	**1.392.985**	**1.323.777**	**-5,0%**	**4.893.298**	**5.412.351**	**10,6%**
Domestic Long Distance	1.107.993	1.131.682	1.174.637	1.140.967	-2,9%	3.921.377	4.555.279	16,2%
International Long Distance	220.086	235.828	218.348	182.810	-16,3%	971.921	857.072	-11,8%

The implementation of our basic call management system enabled the company to eliminate the possibility of fraudulent or non-cash producing calls from almost 2 million lines. The tools that were put in place include significant fraud detection and call management capabilities, a comprehensive customer database, complete billing operation, customer service centers and a state of the art collection system.

"This system has a favorable impact on the quality of long distance revenue as the company is now able to better serve paying customers while filtering out the non-performing traffic, improving our cash collection and reducing the future risk of bad debt" said José Maria Zubiría, CFO and Finance Vice President.

Domestic Long Distance

Domestic long distance revenues rose to R$4.6 billion in 2001 compared to R$3.9 billion in 2000, representing a 16.2 percent growth year-over-year. Growth in traffic, fixed-to-cellular calls, traffic mix and advanced voice services drove this increase. Revenues from enhanced voice services, which are sold exclusively to businesses, rose in excess of 70.0 percent in 2001 further strengthening our competitive position in the key business arena. "In 2001 we lost none, in fact we gained new *0800* clients" said Eduardo Levy Vice President of Sales and Marketing. "This is a recognition by our clients of the superior quality of our service."

In the fourth quarter of 2001, domestic long distance revenues were R$1.1 billion, a 2.8 percent increase compared to the same 2000 quarter. Compared to the third quarter of 2001, long distance revenues dropped by 2.9 percent. This reflects the seasonal reduction of workdays and Embratel´s improved "customer selection" associated with the improvements in call management. Collectability of revenues of the fourth quarter will improve.

Exhibit 7
Net Domestic Long Distance
R$ thousands

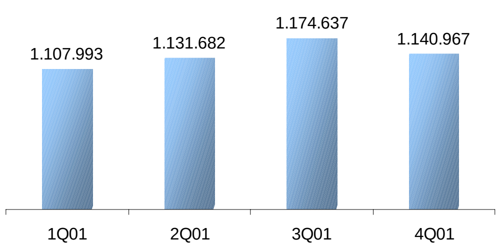
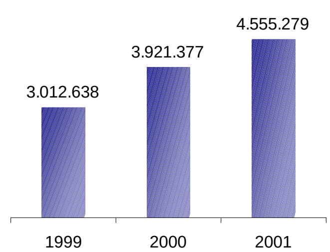


Exhibit 8
Net Domestic Long Distance
R$ thousands



International Long Distance

International long distance revenues were R$857 million in 2001 representing a decline of 11.8 percent when compared to the previous year. As mentioned in previous communications, the company expected the decrease in international long distance prices that materialized in 2001.

In the fourth quarter of 2001, international long distance revenues were R$183 million representing a decline of 22.6 percent from the same quarter of the previous year and a 16.3 percent decrease from the previous quarter. Lower prices combined with increased competition, improved fraud control, and call management contributed to the reduction.

Embratel expects continued decline in revenues from this segment.

Exhibit 9
Net International Long Distance
R$ thousands

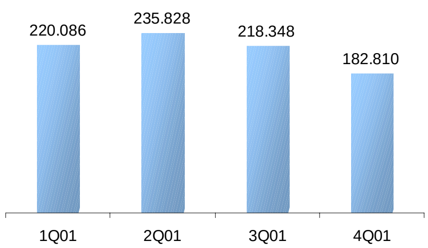
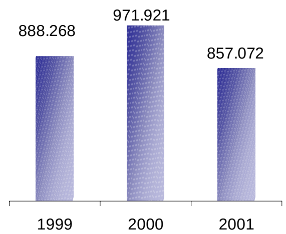


Exhibit 10
Net International Long Distance
R$ thousands



Local Services

Local rules were established in the quarter by Anatel which will significantly accelerate the introduction of full competition in this sector. Specifically, they are enabling Embratel to introduce new local services as a complement to its current suite of products. With the new rules, Embratel has acquired the right to provide local service without picking up any new service obligations/requirements.

Embratel fulfilled its social commitments to Brazil twelve months early, thus permitting early entry into this new market and enabling us to better serve the full needs of our customers. Embratel is now poised to become the first full service telecom provider since the privatization of the Telebras system.

During the past three years, Embratel has invested nearly R$ 1 billion in local access to provide data and long distance voice services and to prepare for this service extension. Embratel has direct connections to tens of thousands of business locations. In addition billing systems, customer service and order entry systems are already available completing the steps to introduce quality local services as soon as authorization is received from Anatel.

"The local rules will allow us to implement our local strategy without restrictions and tackle the local market without requiring substantial capital investments" said Purificacion Carpinteyro, Vice President for Local Services. "It is a natural extension of our services, like swimming downstream."

Embratel will offer local services to business clients who are already linked to its network. In the first phase of the project, Embratel will offer local services in Brazil's 9 largest cities. The plan is to invest less than R$100 million in the first year of operations. Embratel has already conducted operational tests and is negotiating interconnection contracts. Embratel's customers are eagerly awaiting the provision of these services.

21 EBITDA

Exhibit 11 R$ thousands	1Q01	2Q01	3Q01	4Q01	% Var QoQ	2000	2001	% Var YoY
Net Revenues	**1.842.726**	**1.860.480**	**1.911.869**	**1.845.881**	**-3,5%**	**6.714.508**	**7.460.956**	**11,1%**
Lines Costs	(875.311)	(891.326)	(914.903)	(885.947)	3,2%	(3.210.104)	(3.567.487)	-11,1%
Other Cost of Service	(111.732)	(122.372)	(122.801)	(101.208)	17,6%	(391.650)	(458.113)	-17,0%
SG&A	(444.504)	(448.005)	(488.894)	(1.035.568)	-111,8%	(1.396.893)	(2.416.970)	-73,0%
Others	10.996	2.986	5.274	(22.207)	-521,1%	(12.250)	(2.951)	75,9%
Ebitda	**422.175**	**401.765**	**390.544**	**(199.050)**	**-151,0%**	**1.703.611**	**1.015.435**	**-40,4%**

EBITDA was R$1.0 billion compared to R$1.7 billion in 2000. During 2001, Embratel provisioned R$1.2 billion for doubtful accounts, including an extraordinary provision of R$520 million announced in our release dated December 4, 2001. In the fourth quarter 2001, EBITDA was negative at R$199 million. The total amount provisioned for doubtful receivables in the fourth quarter of 2001 was R$665 million. An additional charge of R$27 million related to the R$85 million asset write-down was recorded in SG&A and other operating expenses in the fourth quarter of 2001.

The transformation of Embratel to a retail voice market service provider in a "per call" environment represented a major challenge. As stated earlier, the new call management environment positions the Company for ongoing EBITDA and cash improvements.

The Company's cost structure was also impacted by the new Fust and Funttel universal service taxes imposed in 2001 which represent 1.5 percent of net revenues.

Exhibit 12
Ebitda
R$ thousands

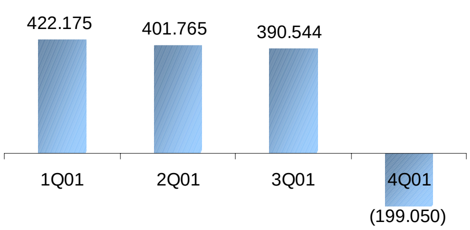
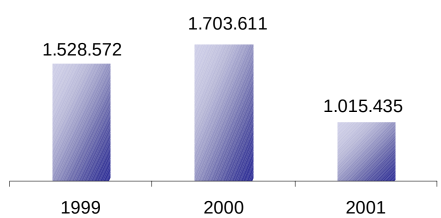


Exhibit 13
Ebitda
R$ thousands



Net Income

Exhibit 14	1Q01	2Q01	3Q01	4Q01	% Var QoQ	2000	2001	% Var YoY
Net Income/(Loss) (R$ thousands)	**(33.747)**	**(38.829)**	**(194.835)**	**(286.260)**	**-46,9%**	**577.090**	**(553.671)**	**-195,9%**
Shares Outstanding (million shares)	332.932	332.932	332.932	332.932		332.919	332.932	
Earnings per 1000 shares (R$)	**(0,10)**	**(0,12)**	**(0,59)**	**(0,86)**		**1,73**	**(1,66)**	

The net loss for 2001 was R$554 million. The loss includes the impact of both increased provisions as well as the devaluation of the Real vis-a-vis the US dollar (18.7 percent in the year) on the Company's foreign currency debt (see Financial Position below). In 2000 the Company's net income was R$577 million.

In the fourth quarter, the Company's net loss was R$286 million arising mainly from the provision of doubtful receivables. During the fourth quarter, the Company also booked previously mentioned asset write-downs of R$85 million of which R$58 million were recorded in non-operating expenses. Write-downs were partially offset by the 13.1 percent appreciation of the Brazilian currency in fourth quarter of 2001 on the un-hedged debt. In the same quarter of the previous year the Company's net income was R$159 million.

Financial Position

Embratel Participações ended the quarter with a cash position of R$652 million. Total debt outstanding as of December 31, 2001 was R$3.7 billion (net debt of R$3.1 billion). R$1.1 billion corresponded to short term debt and current portion of long term debt. Net debt fell by R$180 million to R$3.1 billion benefiting from improved collections, in the fourth quarter.

While Embratel's debt profile continues to be primarily denominated in foreign currencies, portions of this debt have been swapped to the Real according to Exhibit 15 below.

Exhibit 15	Dec 31, 2001			
Embratel Participações S.A.	**Amounts in R$ thousands**	**%**	**Average Cost of Debt**	**Average Maturity**
Hedged short term debt (notional amount)	678.642	62,8%	98.97% CDI pa.	up to 12 months
Unhedged short term debt	401.311	37,2%	US + 9.13% pa.	up to 12 months
Total short term debt and current portion of long term debt	**1.079.953**	**100,0%**		
Hedged long term debt (notional amount)	1.182.361	44,6%	98.54% CDI pa.	up to 2.66 years
Unhedged long term debt	1.465.796	55,4%	US + 8.93% pa.	up to 8.79 years
Total long term debt	**2.648.157**	**100,0%**		
Total hedged debt	1.861.003	49,9%		
Total unhedged debt	1.867.107	50,1%		
Total debt (net of hedge gains)	**3.728.110**	**100,0%**		

The Company has established a policy to hedge all new debt with maturity of less than three years. This policy is designed to achieve a balance between preserving cash and protecting the balance sheet.

Accounts Receivables

The Company's net receivable position on December 31, 2001 was R$1.9 billion, representing a R$702 million decrease from the third quarter of 2001. The reduction of the net receivables position resulted from the increase in the provision for doubtful accounts and a slight improvement in collections. Embratel wrote off R$188 million from the provision of doubtful receivables and at year-end 2001, the balance of this provision was R$1.5 billion. Gross receivables fell to R$3.4 billion in the fourth quarter of 2001 from R$3.6 billion in the third quarter of 2001.

Exhibit 16 Embratel Participações SA R$ thousands	Gross Receivables Dec 31,2001
Accounts Receivables	
Voice Services	2.529.338
Data, Telco and Other Services	596.490
Foreign Administrations	255.519
Gross Receivables	3.381.347
Allowance for Doubtful Accounts	(1.452.069)
Net Receivables	1.929.278

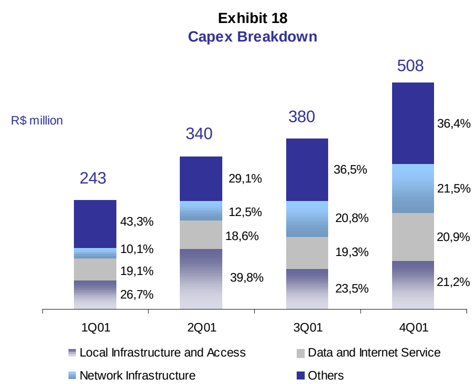
Exhibit 17 Embratel Participações SA R$ thousands	Total	Current	1-60 days	61-120 days	> 120 days
Net Account Receivables					
Voice Services	1.148.682	61,6%	27,2%	11,2%	0

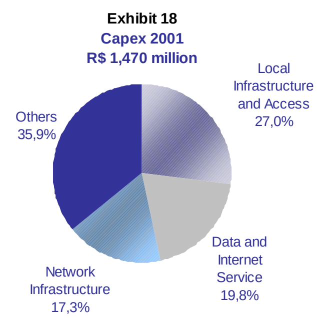
During the fourth quarter of 2001, Embratel initiated the implementation of a new collections system developed by America Management Systems (AMS). This system greatly enhances the Company's ability to act more effectively on receivables. It allows different collection strategies to be matched against the delinquency patterns of various subscriber groups and it greatly reduces the time to implement changes in strategies. This system will equip Embratel with state-of-the art collection capabilities.

An additional development in progress is a second phase of call management. The implementation will start at the end of the first quarter of 2002. This enhancement will allow Embratel to more selectively handle call attempts associated with customers who have been identified as non-paying or whose billable information is unavailable. This continues the improvement of revenue quality.

Capital Expenditures

During 2001, capital expenditures were R$1.5 billion. The breakout of these expenditures are: local infrastructure and access – 27.0 percent; data and Internet services – 19.8 percent; network infrastructure – 17.3 percent and others – 35.9 percent. Capex in the fourth quarter of 2001 was R$508 million.





21 Current Financial Guidance (full-year 2002 growth compared to 2001)

- The company expects to solidify its position with business customers by enhancing products in both data and voice markets;
- 100+ major customers using Embratel local (assuming license by mid-year);
- Operating performance is focused on cash generation;
- We expect continuous improvements in collections;
- Capex will be reduced to R$1.1 billion;
- 2002 EBITDA is expected to increase more than 70%
- Selected growth expectations are shown below.

Exhibit 19 Embratel Participações SA Based on nominal Corporate Law financial statement numbers	Expected 2002 annual growth	Comments full-year 2002 growth compared to 2001
Voice Services	(2%)-5%	Includes DLD and ILD
Data Services	5%-15%	Includes Core Data and Wholesale
Total Revenues	0-5%	Includes all revenue streams and local services
EBITDA margin	20%-25%	Includes provision for doubtful receivables in the first half of 2002 of 8-9% of net revenues

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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: advanced voice, high-speed data communication services, Internet, satellite data communications and corporate networks. 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.

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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.

- - Four pages to follow - - -

EARNINGS RELEASE

Fiscal Year and Fourth Quarter 2001
February 5, 2002

Exhibit 20 Embratel Participações SA (millions of minutes)	Quarter ending 2001 March 31	 June 30	 Sept 30	 Dec 31	% change Q-o-Q	Twelve months ending 2001 Dec 31	 2000 Dec 31	% change Y-o-Y
Domestic Long Distance	**5.128,8**	**5.475,9**	**5.557,8**	**5.637,9**	**1,4%**	**21.800,4**	**19.342,6**	**12,7%**

* This minute series includes domestic long distance traffic, domestic long distance, fixed to cellular traffic, cellular to fixed and cellular to cellular traffic and advanced telephony traffic

Exhibit 21 Embratel Participações SA Corporate Law Consolidated Income Statement R$ thousands	Quarter ending 2001 Dec 31	 %	 2000 Dec 31	 %	 2001 Sept 30	 %	% change Y-o-Y	 Q-o-Q
Revenues								
Gross revenues	**2.450.078**		**2.471.063**		**2.588.119**		***-0,8%***	***-5,3%***
Taxes & other deductions	**(604.197)**		(629.473)		(676.250)		*4,0%*	*10,7%*
Net revenues	**1.845.881**	***100,0%***	**1.841.590**	***100,0%***	**1.911.869**	***100,0%***	***0,2%***	***-3,5%***
Net voice revenues	**1.323.777**	***71,7%***	**1.345.739**	***73,1%***	**1.392.985**	*72,9%*	*-1,6%*	*-5,0%*
Net Domestic long distance	1.140.967	*61,8%*	1.109.529	*60,2%*	1.174.637	*61,4%*	*2,8%*	*-2,9%*
Net International long distance	182.810	*9,9%*	236.210	*12,8%*	218.348	*11,4%*	*-22,6%*	*-16,3%*
Net data communications	**461.653**	***25,0%***	**444.032**	***24,1%***	**458.644**	***24,0%***	***4,0%***	***0,7%***
Data & Internet	436.660	*23,7%*	403.330	*21,9%*	430.136	*22,5%*	*8,3%*	*1,5%*
Wholesale	24.993	*1,4%*	40.702	*2,2%*	28.508	*1,5%*	*-38,6%*	*-12,3%*
Net other services	**60.451**	***3,3%***	**51.819**	***2,8%***	**60.240**	***3,2%***	***16,7%***	***0,4%***
Net revenues	**1.845.881**	***100,0%***	**1.841.590**	***100,0%***	**1.911.869**	***100,0%***	***0,2%***	***-3,5%***
Lines costs (incl. interconnection & facilities)	(885.947)	*-48,0%*	(858.912)	*-46,6%*	(914.903)	*-47,9%*	*-3,1%*	*3,2%*
Other cost of services (excl. depreciation)	(101.208)	*-5,5%*	(109.813)	*-6,0%*	(122.801)	*-6,4%*	*7,8%*	*17,6%*
Selling, general and administrative expenses (e:	(1.035.568)	*-56,1%*	(514.053)	*-27,9%*	(488.894)	*-25,6%*	*-101,5%*	*-111,8%*
Other operating income/(expense)	(22.207)	*-1,2%*	(4.661)	*-0,3%*	5.274	*0,3%*	*-376,4%*	*-521,1%*
EBITDA	**(199.050)**	***-10,8%***	**354.151**	***19,2%***	**390.544**	***20,4%***	***-156,2%***	***#####***
Depreciation and amortization	(283.014)	*-15,3%*	(226.255)	*-12,3%*	(268.961)	*-14,1%*	*-25,1%*	*-5,2%*
Operating income (EBIT)	**(482.063)**	***-26,1%***	**127.896**	***6,9%***	**121.583**	***6,4%***	***-476,9%***	***#####***
Financial income (including monetary and excha	49.686	*2,7%*	99.681	*5,4%*	107.263	*5,6%*	*-50,2%*	*-53,7%*
Interest income	25.699	*1,4%*	22.504	*1,2%*	27.811	*1,5%*	*14,2%*	*-7,6%*
Monetary variation	26	*0,0%*	278	*0,0%*	95	*0,0%*	*-90,6%*	*-72,6%*
Exchange variation	23.961	*1,3%*	76.899	*4,2%*	79.357	*4,2%*	*-68,8%*	*-69,8%*
Financial expense (including monetary and exch	66.104	*3,6%*	(234.302)	*-12,7%*	(491.605)	*-25,7%*	*128,2%*	*113,4%*
Interest expense	(58.355)	*-3,2%*	(53.900)	*-2,9%*	(78.131)	*-4,1%*	*-8,3%*	*25,3%*
Monetary variation	(13.302)	*-0,7%*	(7.775)	*-0,4%*	(16.407)	*-0,9%*	*-71,1%*	*18,9%*
Exchange variation	137.761	*7,5%*	(172.627)	*-9,4%*	(397.067)	*-20,8%*	*179,8%*	*134,7%*
Other non-operating income/(expense)	(61.209)	*-3,3%*	116.067	*6,3%*	(7.514)	*-0,4%*	*-152,7%*	*-714,6%*
Net income before tax, employee profit sharing and minority interest	**(427.483)**	***-23,2%***	**109.342**	***5,9%***	**(270.273)**	***-14,1%***	***-491,0%***	***-58,2%***
Income tax and social contribution	132.762	*7,2%*	63.137	*3,4%*	80.467	*4,2%*	*110,3%*	*65,0%*
Employee profit sharing	9.584	*0,5%*	(8.645)	*-0,5%*	(4.625)	*-0,2%*	*210,9%*	*307,2%*
Minority interest	(1.124)	*-0,1%*	(5.281)	*-0,3%*	(404)	*0,0%*	*78,7%*	*-178,1%*
Net income / (loss)	**(286.260)**	***-15,5%***	**158.553**	***8,6%***	**(194.835)**	***-10,2%***	***-280,5%***	***-46,9%***
End of period shares outstanding (000)	332.932.361		332.919.028		332.932.361			
Earnings per 1000 shares	(0,86)		0,48		(0,59)			

* The reversal of consolidated interest over capital in the amount of R$ 6,520 thousand from Embratel subsidiary StarOne has been netted against the related financial expense item.

Exhibit 22 Embratel Participações SA Corporate Law Consolidated Income Statement R$ thousands	Twelve months ending 2001 Dec 31	 %	 2000 Dec 31	 %	% change Y-o-Y
Revenues					
Gross revenues	**10.052.001**		**8.954.688**		***12,3%***
Taxes & other deductions	(2.591.045)		(2.240.180)		*-15,7%*
Net revenues	**7.460.956**	***100,0%***	**6.714.508**	***100,0%***	***11,1%***
Net voice revenues	**5.412.351**	***72,5%***	**4.893.298**	***72,9%***	***10,6%***
Net Domestic long distance	4.555.279	*61,1%*	3.921.377	*58,4%*	*16,2%*
Net International long distance	857.072	*11,5%*	971.921	*14,5%*	*-11,8%*
Net data communications	**1.814.729**	***24,3%***	**1.605.563**	***23,9%***	***13,0%***
Data & Internet	1.691.099	*22,7%*	1.389.703	*20,7%*	*21,7%*
Wholesale	123.630	*1,7%*	215.860	*3,2%*	*-42,7%*
Net other services	**233.876**	***3,1%***	**215.647**	***3,2%***	***8,5%***
Net revenues	**7.460.956**	***100,0%***	**6.714.508**	***100,0%***	***11,1%***
Lines costs (incl. interconnection & facilities)	(3.567.487)	*-47,8%*	(3.210.104)	*-47,8%*	*-11,1%*
Other cost of services (excl. depreciation)	(458.113)	*-6,1%*	(391.650)	*-5,8%*	*-17,0%*
Selling, general and administrative expenses (excl. depreciatior	(2.416.970)	*-32,4%*	(1.396.893)	*-20,8%*	*-73,0%*
Other operating income/(expense)	(2.951)	*0,0%*	(12.250)	*-0,2%*	*75,9%*
EBITDA	**1.015.435**	***13,6%***	**1.703.611**	***25,4%***	***-40,4%***
Depreciation and amortization	(1.061.631)	*-14,2%*	(856.802)	*-12,8%*	*-23,9%*
Operating income (EBIT)	**(46.196)**	***-0,6%***	**846.809**	***12,6%***	***-105,5%***
Financial income (including monetary and exchange variation)	192.457	*2,6%*	203.106	*3,0%*	*-5,2%*
Interest income	92.021	*1,2%*	148.959	*2,2%*	*-38,2%*
Monetary variation	260	*0,0%*	2.618	*0,0%*	*-90,1%*
Exchange variation	100.176	*1,3%*	51.529	*0,8%*	*94,4%*
Financial expense (including monetary and exchange variation)	(822.436)	*-11,0%*	(391.422)	*-5,8%*	*-110,1%*
Interest expense	(273.343)	*-3,7%*	(179.008)	*-2,7%*	*-52,7%*
Monetary variation	(41.710)	*-0,6%*	(38.622)	*-0,6%*	*-8,0%*
Exchange variation	(507.383)	*-6,8%*	(173.792)	*-2,6%*	*-191,9%*
Other non-operating income/(expense)	(75.902)	*-1,0%*	111.224	*1,7%*	*-168,2%*
Net income before tax, employee profit sharing and minority interest	**(752.077)**	***-10,1%***	**769.717**	***11,5%***	***-197,7%***
Income tax and social contribution	222.088	*3,0%*	(145.312)	*-2,2%*	*252,8%*
Employee profit sharing	(18.156)	*-0,2%*	(36.775)	*-0,5%*	*50,6%*
Minority interest	(5.526)	*-0,1%*	(10.540)	*-0,2%*	*47,6%*
Net income / (loss)	**(553.671)**	***-7,4%***	**577.090**	***8,6%***	***-195,9%***
End of period shares outstanding (000)	332.932.361		332.919.028		
Earnings per 1000 shares	(1,66)		1,73		

* The reversal of consolidated interest over capital in the amount of R$ 6,520 thousand from Embratel subsidiary StarOne has been netted against the related financial expense item.

Exhibit 23 Embratel Participações SA Corporate Law - Consolidated Balance Sheet R$ thousands	2001 Dec 31	2000 Dec 31	2001 Sept 30
Assets			
Cash and cash equivalents	652.153	422.614	550.736
Account receivables, net	1.929.278	2.453.235	2.631.694
Deferred and recoverable taxes	606.191	406.670	743.978
Other current assets	189.985	116.966	217.989
Current assets	**3.377.607**	**3.399.485**	**4.144.397**
Deferred and recoverable taxes	490.604	268.142	293.288
Legal deposits	341.542	285.997	333.663
Other non-current assets	66.885	13.256	59.180
Non-current assets	**899.031**	**567.395**	**686.131**
Investments	169.627	328.352	195.341
Net property, plant & equipment	7.849.429	7.467.125	7.672.618
Deferred fixed assets	162.382	-	172.531
Permanent assets	**8.181.438**	**7.795.477**	**8.040.490**
Total assets	**12.458.076**	**11.762.357**	**12.871.018**
Liabilities			
Personnel, charges and social benefits	99.202	100.921	142.636
Accounts payable and accrued expenses	1.569.123	1.405.084	1.388.595
Taxes and contributions	450.308	709.446	582.883
Dividends and interest on capital payable	30.240	140.145	23.743
Proposed dividends and interest on capital	-	66.259	-
Short term debt and current portion of long term debt	1.079.953	881.899	1.165.900
Provisions for contigencies	33.573	27.335	14.164
Pension plan -Telos	59.613	61.725	66.775
Employee's profit sharing	22.610	28.306	32.194
Subsidiaries and associated companies	39.091	19.064	34.356
Other current liabilities	114.150	171.777	166.876
Current liabilities	**3.497.864**	**3.611.961**	**3.618.122**
Taxes and contributions	229.462	169.313	216.244
Long term debt	2.648.157	1.364.390	2.640.518
Pension plan - Telos	358.343	211.103	187.971
Other non-current liabilities	915	915	915
Non-current liabilities	**3.236.877**	**1.745.721**	**3.045.648**
Deferred income	**132.038**	**110.627**	**130.872**
Minority interest	**244.625**	**211.878**	**252.395**
Paid in capital	2.273.913	2.134.427	2.273.913
Income reserves	1.912.114	1.912.113	1.912.114
Treasury stock	(41.101)	(41.475)	(41.101)
Retained earnings	1.201.746	2.077.105	1.679.055
Shareholders' equity	**5.346.672**	**6.082.170**	**5.823.981**
Total liabilities and shareholders' equity	**12.458.076**	**11.762.357**	**12.871.018**
Total borrowed funds	3.728.110	2.246.289	3.806.418
Net debt	3.075.957	1.823.675	3.255.682
TBF/Shareholders equity	0,70	0,37	0,65