

Rio de Janeiro, Brazil – June 30, 2006

Embratel Participações S.A.
BOVESPA: EBTP3, EBTP4; NYSE: EMT

The Company holds 99.0% of
Empresa Brasileira de Telecomunicações S.A.
("Embratel").

Embratel Participações S.A. ("Embratel Holdings") (BOVESPA: EBTP3, EBTP4; NYSE: EMT) announced today that it is delayed in preparing and filing with the U.S. Securities and Exchange Commission ("SEC") its annual report on Form 20-F for the year ended December 31, 2005 (the "2005 Form 20-F"). Embratel Holdings currently expects to file the 2005 Form 20-F by July 14, 2006.

The delay is caused by the additional time Embratel Holdings needs to complete the reconciliation to U.S. generally accepted accounting principles ("U.S. GAAP"), which is required to be included in a note to its financial statements in its annual report on Form 20-F. Embratel Holdings has determined that it incorrectly calculated the amount of capitalized interest on assets under construction under U.S. GAAP, and it will include in the 2005 Form 20-F restated U.S. GAAP financial information for 2004, 2003, 2002 and 2001. The Company has not issued U.S. GAAP financial information for 2005. The effect of the restatement is mainly to increase depreciation in each year. While Embratel Holdings has not completed its analysis and recomputation of the amounts in question, it estimates that the cumulative after-tax impact of the correction will be to reduce shareholder's equity under U.S. GAAP as of December 31, 2004, previously reported as R\$5,009 million, by approximately R\$100 million.

The restatement will not affect the financial statements of Embratel Holdings under Brazilian generally accepted accounting principles ("Brazilian GAAP"). Embratel Holdings released its financial statements for 2005 under Brazilian GAAP in March 2006

Isaac Berensztejn
Chief Financial Officer & Investor Relations Director



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.

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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.

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