



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. (“EMBRAPAR” or “Company”), in compliance with the provisions of Instruction no. 358/02 of the Brazilian Securities and Exchange Commission (“CVM”), announces to the public and to its shareholders that its controlling shareholder, Teléfonos de México, S.A. de C.V. (“TELMEX”), in reference to the request for registration of a tender offer for cancellation of the registration of EMBRAPAR as a public company through TELMEX’s wholly owned subsidiary Telmex Solutions Telecomunicações Ltda. and with the intermediation of UNIBANCO – União de Bancos Brasileiros S.A., announced through the Material Fact dated May 8, 2006 (“Tender Offer”) announced to the public today that the Brazilian Securities and Exchange Commission (“CVM”) has determined that the registration of the Tender Offer will be conditioned upon the receipt of a favorable opinion of *Agência Nacional de Telecomunicações – ANATEL* (“ANATEL”).

TELMEX also announced that CVM has given TELMEX the option to convert the Tender Offer into a voluntary tender offer under different procedures (“Voluntary Tender Offer”), which would not be conditioned upon the receipt of a favorable opinion of ANATEL. According to CVM’s decision, the Voluntary Tender Offer would result in the cancellation of the registration of EMBRAPAR as a public company if (1) a certain level of participation by EMBRAPAR shareholders in the Voluntary Tender Offer were reached and (2) a favorable opinion regarding the cancellation of the registration of EMBRAPAR as a public company were rendered by ANATEL, either before or after the conclusion of the Voluntary Tender Offer.

TELMEX reaffirmed its intention to proceed with the registration of the Tender Offer, although it is evaluating the alternative of conducting a Voluntary Tender Offer. In the coming days, Telmex will release a new material fact announcing how it expects to proceed.

Holders of the Company’s shares and/or American Depositary Shares should read the statement relating to the Tender Offer that the Company will file with the Securities and Exchange Commission (“SEC”) in the United States, because it will contain important information. A Portuguese translation of this document will be filed with CVM. This material will also be available free of charge on the SEC’s website at www.sec.gov.

Rio de Janeiro, July 24, 2006
Embratel Participações S.A.
Isaac Berensztejn
Investor Relations Officer