

Embratel Participações Earnings Release

First Quarter 2003 Results¹



Rio de Janeiro, Brazil – May 6, 2003

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 in
“Brazilian Corporate Law”

FIRST QUARTER 2003 EBITDA of R\$369 million

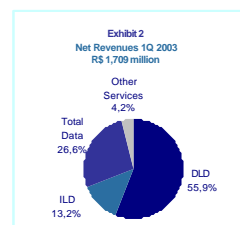
Quarter-over-quarter 17 percent increase
Embratel generated R\$283 million in free cash flow after capex

Highlights

- ✓ Net revenues were R\$1.7 billion.
- ✓ Embratel's first quarter EBITDA was R\$369 million representing a 16.7 percent increase quarter-over-quarter and a 13.6 percent increase over the same quarter of the previous year.
- ✓ Collections continued to improve enabling allowance for doubtful accounts to drop for the fifth consecutive quarter to R\$106 million or 4.9 percent of gross revenues (6.2 percent of net revenues) compared to 6.1 percent of gross revenues in the last quarter of 2002 and 7.7 percent in the comparable 2002 quarter. In absolute terms, provision for doubtful accounts dropped 38.9 percent year-over-year.
- ✓ The voice aging profile has continued to improve: approximately 72.4 percent of net voice receivables were current at the end of the first quarter compared to 67.9 percent at the end of December 2002.
- ✓ Net income in the first quarter of 2003 was R\$11 million, including a one-time charge of R\$39 million relative to the settlement of a tax contingency. Without this one-time charge, net income in the quarter would have been R\$37 million.
- ✓ EBIT in the first quarter of 2003 was R\$77 million, rising 47.8 percent over the first quarter of 2002.
- ✓ Total capital expenditures in the quarter were R\$86 million.
- ✓ Free cash flow after capex was R\$283 million.
- ✓ During the quarter Embratel concluded its 2003 and first half of 2004 financing program extending the maturity of US\$882 million (R\$2,957 million) for two years.
- ✓ Approximately US\$93 million (R\$314 million), net of new financing, were amortized during the quarter.
- ✓ More than 800 contracts for local services had already been signed by the end of first quarter.

Embratel has adopted the procedure of reporting international voice revenues on a gross basis to reflect recent changes in industry practices. Such revenues were previously reported net of international settlement payments which are now being classified as interconnection costs. While this change does not impact gross profit and the practice previously followed by the Company was in accordance with industry practice, the changed practice is currently understood as preferable. As a result of this change, prior period gross and net international voice revenues as well as interconnection costs have been restated to reflect such change. Accordingly, revenue growth and revenue based ratios and margins have changed. Exhibit 18 (attached) presents restated revenues and interconnection costs.

Exhibit 1 R\$ thousands	1Q02	4Q02	1Q03	% Var YoY	% Var QoQ
Net Revenues	1.852.130	1.786.115	1.708.742	-7,7%	-4,3%
Ebitda	324.711	315.933	368.843	13,6%	16,7%
Ebitda Margin	17,5%	17,7%	21,6%	4,1 p.p	3,9 p.p
Ebit	52.258	15.366	77.253	47,8%	402,8%
Net Income/(Loss)	(36.440)	111.942	10.668	129,3%	-90,5%



Data Communication Services

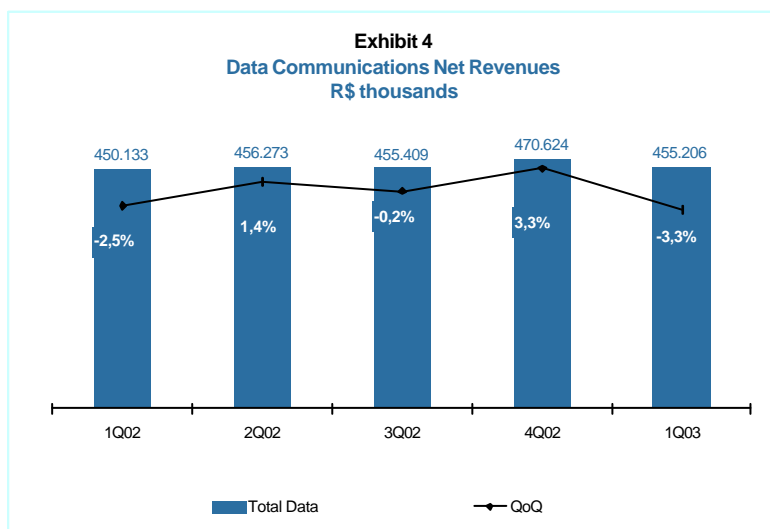
Circuit growth continues to be strong

Exhibit 3 R\$ thousands	1Q02	4Q02	1Q03	% Var	
				YoY	QoQ
Total Data	450.133	470.624	455.206	1,1%	-3,3%
Data & Internet	429.988	451.321	434.743	1,1%	-3,7%
Wholesale	20.145	19.303	20.463	1,6%	6,0%

Embratel data communications revenues (data & Internet and wholesale) were R\$455 million in first quarter of 2003, representing a 1.1 percent increase relative to the first quarter 2002. Compared to the previous 2002 quarter when data revenues benefited from services provided in the presidential elections, data revenues declined 3.3 percent.

Data market trends in the first quarter of 2003 did not vary substantially from the previous quarter. Price reductions for Internet services continues. Contract renewals during the quarter started to incorporate price inflation adjustments. Circuit growth expressed in 2Mbit equivalent units grew 47.9 percent year-over year and 10.3 percent when compared to the fourth quarter of 2002.

Embratel continues to invest in access for data services. Digital copper wire networks, Acesso Digital Embratel (ADE), are being extended replacing expensive third party leased lines with our own networks. Over 40 digital metallic networks have been built, of which 13 were finished in the first quarter of 2003. Clients are being migrated from third party to our own access networks, thereby reducing our cost of services.



Voice Services

Exhibit 5 R\$ thousands	1Q02	4Q02	1Q03	% Var YoY	% Var QoQ
Total Voice	1.347.191	1.244.079	1.180.942	-12,3%	-5,1%
Domestic Long Distance	1.119.337	1.010.842	954.684	-14,7%	-5,6%
International Long Distance	227.854	233.237	226.258	-0,7%	-3,0%

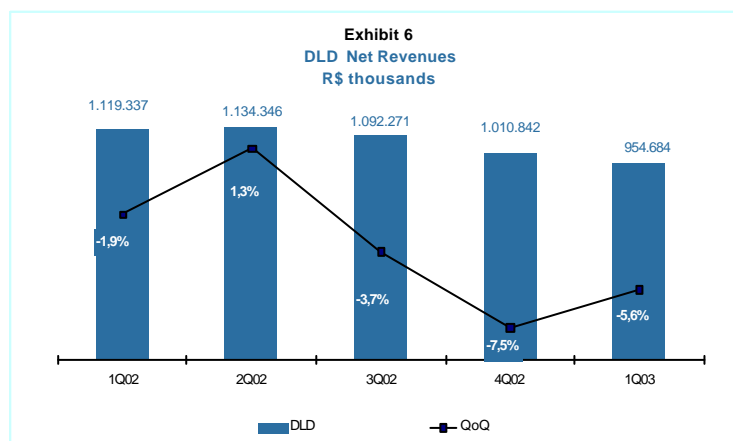
Embratel is focused on enhancing the growth of profitable revenues. Coordinated actions involving collection strategies (including blocking lines, co-billing, internet and automatic bill payment) and targeting clients with appropriate services and calling plans are being refined to optimize returns. Certain activities, such as blocking lines due to fraud or delinquency, induce reductions in revenues while increasing the profitability of Embratel's revenues.

Domestic Long Distance

Profitable revenues trend continues

Net domestic long distance revenues in the first quarter of 2003 were R\$955 million representing a decline of 5.6 percent from the previous 2002 quarter and 14.7 percent year-over-year. On a quarter over-quarter basis the decline is explained largely by seasonal factors (fewer business days and holidays) as well as by the effect of blocking of delinquent and fraudulent lines.

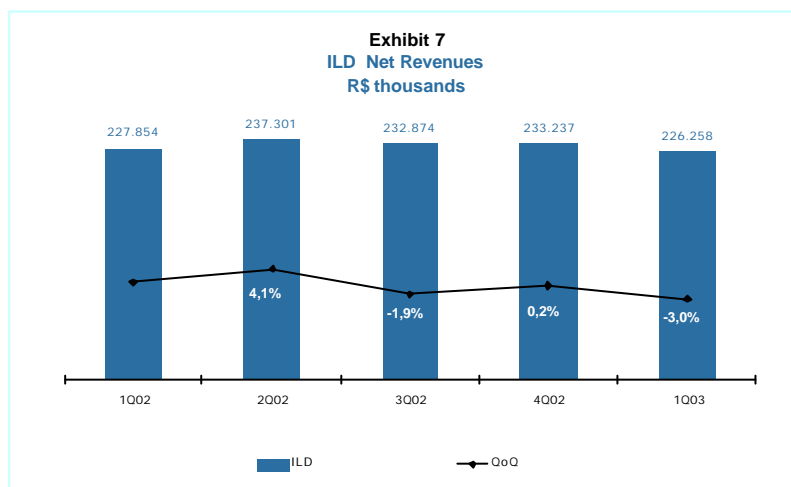
Average domestic long distance revenue per minute in the first quarter of 2003 rose 6.2 percent year-over-year and 8.5 percent compared to the prior quarter, reinforcing our focus on profitable revenues.



International Long Distance

Continued stability

International long distance revenues were R\$226 million in the first quarter of 2003 representing a 3.0 percent decline from the previous quarter. Seasonal factors as well as competition contributed to this outcome. Compared to the first quarter of 2002, international revenues were stable, mostly due to the positive impact of stronger inbound revenues.



Local Services

Embratel's local services continue to expand. In total, 70 cities, including all state capitals, are covered by Embratel's local services. By the end of first quarter 2003, more than 800 contracts had been signed as medium, large and government clients are attracted by finally having a choice for local services.

As Brazil's premium telecommunications provider, Embratel has been able to attract new local service customers by extending its superior quality and reliability into the local market, attracting both traditional data and long distance customers as well as new. Attributes of its local services include competitive pricing, detailed local call billing and specialized customer support.

Embratel is currently the only telecommunications company providing corporate local services in all regions of Brazil.

EBITDA

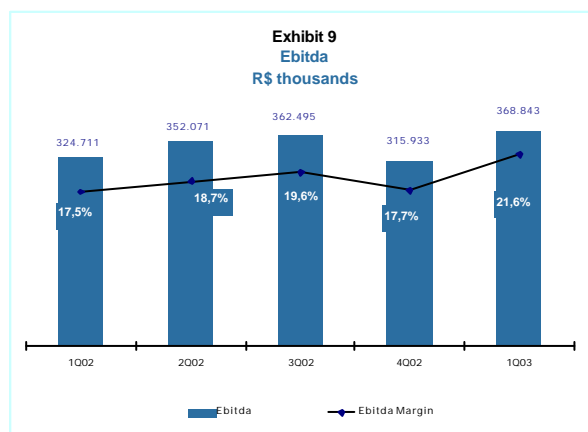
Exhibit 8 R\$ thousands	1Q02	4Q02	1Q03	%Var YoY	%Var QoQ
Net Revenues	1.852.130	1.786.115	1.708.742	-7,7%	-4,3%
Lines Costs	(909.701)	(839.621)	(788.902)	-13,3%	-6,0%
Other Cost of Service	(106.083)	(139.527)	(122.387)	15,4%	-12,3%
Selling Expenses	(281.823)	(262.810)	(206.198)	-26,8%	-21,5%
G&A Expenses	(231.301)	(244.090)	(225.983)	-2,3%	-7,4%
Others	1.489	15.866	3.571	139,8%	-77,5%
Ebitda	324.711	315.933	368.843	13,6%	16,7%
<i>Ebitda Margin</i>	<i>17,5%</i>	<i>17,7%</i>	<i>21,6%</i>	<i>4,1 p.p.</i>	<i>3,9 p.p.</i>

EBITDA was R\$369 million in the first quarter 2003 representing a 16.7 percent increase relative to an EBITDA of R\$316 million in fourth quarter of 2002 and a 13.6 increase over the same period of the previous year. EBITDA margin rose by 3.9 percentage points reaching 21.6 percent in the first quarter 2003. The primary reasons for this growth were improved collections, lower interconnection costs and reduced billing expenses (third party services).

Allowance for doubtful accounts dropped for the fifth consecutive quarter to R\$106 million, or 4.9 percent of gross revenues (6.2 percent of net revenues). This is a significant reduction when compared to the fourth quarter of 2002 when provision for doubtful accounts represented 6.1 percent of gross revenues (7.7 of net revenues). It shows that Embratel's actions to improve collections, focus on profitable revenues and target clients with specific calling plans are producing returns. In absolute terms, provision for doubtful accounts dropped 22.8 and 38.9 percent quarter-over-quarter and year-over-year, respectively.

Also continuing to contribute to the improvement in EBITDA is the relative reduction in interconnection costs. Directing more and more traffic to Embratel's own network which include PPI construction and also other telco management efficiencies, have helped to keep this major cost item down. In the quarter, we added 24 PPIs.

Overall third party services dropped from 15.5 to 13.6 percent of net revenues. Continued proactive actions, such as self-enveloping bills, combined with increased usage of co-billing (lower printing and banking fees and postage expenses) have helped to reduce overall billing costs. In addition, Anatel has mandated reductions in co-billing rates, further reducing overall billing costs.



EBIT

In the first quarter 2003, EBIT was R\$77 million increasing from R\$15 million in the previous quarter, evidencing the improvement in the company's operating performance. Compared to the first quarter of 2002, EBIT rose 47.8 percent.

Net Income

First quarter net income was R\$11 million

Exhibit 10	1Q02	4Q02	1Q03	% Var YoY	% Var QoQ
Net Income/(Loss) (R\$ thousands)	(36.440)	111.942	10.668	129,3%	-90,5%
Shares Outstanding (million shares)	332.932	332.629	332.629		
Earnings per 1000 shares (R\$)	(0,11)	0,34	0,03		

In the first quarter of 2003, net income was R\$11 million compared to a net income of R\$112 million in the fourth quarter of 2002 and a loss of R\$36 million in the same period of 2002. In addition to the improvement in EBIT, bottom line was positively impacted by the currency parity on the company's foreign currency non-hedged debt. In the quarter, we made a one-time payment of R\$39 million relative to the settlement of a tax contingency due to income tax on remittances to foreign telecommunications companies, as described in the Subsequent Event section of our fourth quarter 2002 financial statements. Without this one-time charge, net income in the first quarter 2003 would have been R\$37 million.

Financial Position

2003 and first half of 2004 financing is concluded. R\$314 million of debt repaid during the quarter

On March 17, 2003, Embratel closed its financing program, rolling over debt maturing in 2003 and the first half of 2004. The purpose of this financing program was to: (1) reduce Embratel's overall debt; (2) eliminate refinancing risk in 2003; and (3) reduce financing requirements in 2004. Embratel has achieved these three objectives.

The extended maturities will ensure that Embratel continues to invest in quality services and networks to serve corporate, government and residential customers. The financing program essentially eliminates Embratel's refinancing risk in 2003 and reduces its financing requirements in 2004. Embratel has retained the ability to prepay debt from excess cash flow or new debt as market conditions improve. The conclusion of this financing program improves

Embratel's overall credit standing and puts it in a stronger financial position. Embratel has also maintained the operational flexibility it needs to implement its business plan.

Following the closing, a few other financial institutions joined the program under the same conditions and as a result the total amount of the financing rose from US\$861 million (R\$2,889 million) to US\$882 million (R\$2,957 million). Approximately US\$306 million (R\$1,057 million) of debt matured in the first quarter of 2003. Net debt amortized during the quarter was US\$93 million (R\$314 million).

Embratel's hedged debt/currency profile is presented in Exhibit 11 below.

Exhibit 11 Embratel Participações S.A.	Dec 31, 2002		Mar 31, 2003			
	Amounts in R\$ thousands	%	Amounts in R\$ thousands	%	Average Cost of Debt	Maturity
Hedged (notional amount) and reais short term debt	1.599.623	62,3%	988.944	51,3%	84,67% CDI	up to 1,0 year
Unhedged short term debt	966.859	37,7%	937.685	48,7%	US+6,99% pa	up to 1,0 year
Total short term debt	2.566.482	100%	1.926.630	100%		
Hedged (notional amount) and reais long term debt	246.894	10,6%	720.024	27,2%	93,86% CDI	up to 4,2 years
Unhedged long term debt	2.078.559	89,4%	1.923.554	72,8%	US+8,22% pa	up to 7,4 years
Total long term debt	2.325.453	100%	2.643.578	100%		
Total hedged and reais debt	1.846.517	37,7%	1.708.968	37,4%		
Total unhedged debt	3.045.418	62,3%	2.861.239	62,6%		
Total debt (net of hedge gains)	4.891.935	100%	4.570.208	100%		

The short-term debt reflected above does not include the full benefit of the financing program. Even though contracts have been entered into that require extension of maturities on the debt, the reclassification from short-term to long-term debt only occurs at the time of the original loan maturity.

Embratel ended the first quarter of 2003 with a cash position of R\$526 million. In addition, at the end of the quarter, R\$75.8 million of cash was reflected in Other Current Assets as this amount was applied as a temporary guarantee which was subsequently liquidated in early April. The decline in cash is associated with debt repayment and other settlements. Total outstanding debt is R\$4.6 billion, of which R\$1.9 billion is short term debt.

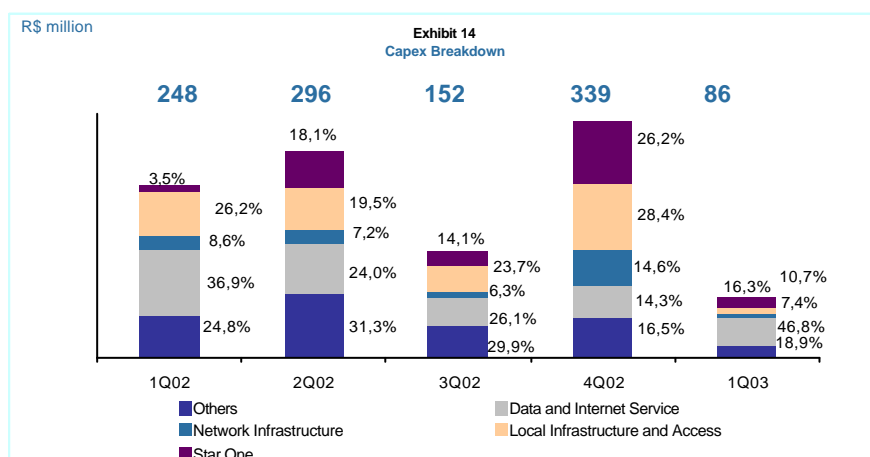
Accounts Receivables

The company's net receivable position on March 31, 2003 was R\$1.5 billion an improvement of more than R\$90 million relative to the previous 2002 quarter. The voice aging profile has continued to improve: approximately 72.4 percent of net voice receivables were current at the end of the first quarter of 2003 compared to 67.9 percent at the end of December 2002. Days sales outstanding, based on net receivables, was 62 in first quarter 2003, down from 67 and 73 in fourth quarter 2002 and first quarter 2002, respectively.

Exhibit 12 Embratel Participações SA R\$ thousands	Gross Receivables		Exhibit 13 Embratel Participações SA R\$ thousands	Net Account Receivables	
	2003 Mar 31	2002 Dec 31		2003 Mar 31	2002 Dec 31
Accounts Receivables			Voice Services	744.391	788.752
Voice Services	2.729.216	2.676.977	Current	72,4%	67,9%
Data, Telco and Other Services	588.316	585.377	1-60 days	20,3%	23,1%
Foreign Administrations	279.183	319.126	61-120 days	7,3%	9,0%
Gross Receivables	3.596.715	3.581.480	> 120 days	0	0
Allowance for Doubtful Accounts	(2.095.854)	(1.990.484)			
Net Receivables	1.500.861	1.590.996			

CAPEX

Total capital expenditures in the quarter were R\$86 million. The breakout of this expenditure is the following: local infrastructure and access – 10.7 percent (including PPIs); data and Internet services – 46.8 percent; network infrastructure – 7.4 percent, others - 18.8 percent and Star One - 16.3 percent. The bulk of the investments included in "others" are investments in IT and in switches.



Regulatory

February 27, as part of an administrative process submitted by Embratel, the Antitrust Agency (CADE) adopted a landmark preventive decision against Telefonica on the grounds that the possibility of price discrimination of leased lines for local access would constitute an anti-competitive practice prohibited by law. CADE concluded that irreparable damage to market competition could occur and among a variety of measures it required Telefonica to immediately stop such practice, as well as to provide ample disclosure of prices and discounts practiced for such services. Telefonica has appealed before CADE, the decision continues to be in effect.

A month later, and based on a different process also submitted by Embratel, Anatel adopted a similar preventive action against Brasil Telecom on the same grounds, that is, the possibility of price discrimination of leased lines for local access would constitute an anti-competitive practice prohibited by law. In addition to the preventive measures imposed by CADE on Telefonica, Anatel required Brasil Telecom to charge Embratel the same price for leased lines than the best price offered to any of its customers. Brasil Telecom has appealed before CADE and requested and obtained an injunction from a Court of Law. We expect the injunction to be lifted soon after Anatel submission of additional information required by the Judge or after CADE's final decision.

These actions mark the first time the Brazilian regulators have explicitly acted on behalf of competition in telecommunications.

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 and is uniquely positioned to be the country's only true national local service provider for corporates. Service offerings: include telephony, advanced voice, high-speed data communication services, Internet, satellite data communications, corporate networks and local voice services for corporate clients. 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.

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Exhibit 15 Embratel Participações SA Corporate Law Consolidated Income Statement R\$ thousands	Quarter ending						% change	
	2003		2002		2002			
	Mar 31	%	Mar 31	%	Dec 31	%	Y-o-Y	Q-o-Q
Revenues								
Gross revenues	2.181.691		2.371.797		2.253.149		-8,0%	-3,2%
Taxes & other deductions	(472.949)		(519.667)		(467.034)		-9,0%	1,3%
Net revenues	1.708.742	100,0%	1.852.130	100,0%	1.786.115	100,0%	-7,7%	-4,3%
Net voice revenues	1.180.942	69,1%	1.347.191	72,7%	1.244.079	69,7%	-12,3%	-5,1%
Net Domestic long distance	954.684	55,9%	1.119.337	60,4%	1.010.842	56,6%	-14,7%	-5,6%
Net International long distance	226.258	13,2%	227.854	12,3%	233.237	13,1%	-0,7%	-3,0%
Net data communications	455.206	26,6%	450.133	24,3%	470.624	26,3%	1,1%	-3,3%
Data & Internet	434.743	25,4%	429.988	23,2%	451.321	25,3%	1,1%	-3,7%
Wholesale	20.463	1,2%	20.145	1,1%	19.303	1,1%	1,6%	6,0%
Net other services	72.594	4,2%	54.806	3,0%	71.412	4,0%	32,5%	1,7%
Net revenues	1.708.742	100,0%	1.852.130	100,0%	1.786.115	100,0%	-7,7%	-4,3%
Cost of Services	(911.289)	-53,3%	(1.015.784)	-54,8%	(979.148)	-54,8%	-10,3%	-6,9%
Personnel	(49.543)	-2,9%	(51.861)	-2,8%	(70.000)	-3,9%	-4,5%	-29,2%
Third-party services	(58.468)	-3,4%	(45.995)	-2,5%	(54.135)	-3,0%	27,1%	8,0%
Interconnection & facilities	(788.902)	-46,2%	(909.701)	-49,1%	(839.621)	-47,0%	-13,3%	-6,0%
Others	(14.376)	-0,8%	(8.227)	-0,4%	(15.392)	-0,9%	74,7%	-6,6%
Selling expenses	(206.198)	-12,1%	(281.823)	-15,2%	(262.810)	-14,7%	-26,8%	-21,5%
Personnel	(56.881)	-3,3%	(59.934)	-3,2%	(65.473)	-3,7%	-5,1%	-13,1%
Third-party services	(40.834)	-2,4%	(45.109)	-2,4%	(57.461)	-3,2%	-9,5%	-28,9%
Allowance for doubtful accounts	(106.153)	-6,2%	(173.694)	-9,4%	(137.458)	-7,7%	-38,9%	-22,8%
Others	(2.330)	-0,1%	(3.086)	-0,2%	(2.418)	-0,1%	-24,5%	-3,6%
G&A expenses	(225.983)	-13,2%	(231.301)	-12,5%	(244.090)	-13,7%	-2,3%	-7,4%
Personnel	(30.063)	-1,8%	(36.052)	-1,9%	(33.827)	-1,9%	-16,6%	-11,1%
Third-party services	(133.367)	-7,8%	(133.330)	-7,2%	(165.650)	-9,3%	0,0%	-19,5%
Taxes	(36.744)	-2,2%	(42.866)	-2,3%	(27.064)	-1,5%	-14,3%	35,8%
Employees' profit sharing	(13.527)	-0,8%	(8.754)	-0,5%	(8.114)	-0,5%	54,5%	66,7%
Others	(12.282)	-0,7%	(10.299)	-0,6%	(9.435)	-0,5%	19,3%	30,2%
Other operating income/(expense)	3.571	0,2%	1.489	0,1%	15.866	0,9%	139,8%	-77,5%
EBITDA	368.843	21,6%	324.711	17,5%	315.933	17,7%	13,6%	16,7%
Depreciation and amortization	(291.590)	-17,1%	(272.453)	-14,7%	(300.567)	-16,8%	7,0%	-3,0%
Operating income (EBIT)	77.253	4,5%	52.258	2,8%	15.366	0,9%	47,8%	402,8%
Financial income (including monetary and exchange variation)	47.510	2,8%	36.427	2,0%	64.899	3,6%	30,4%	-26,8%
Interest income	51.731	3,0%	31.886	1,7%	54.807	3,1%	62,2%	-5,6%
Exchange and monetary variation	(4.221)	-0,2%	4.541	0,2%	10.092	0,6%	-193,0%	-141,8%
Financial expense (including monetary and exchange variation)	(55.523)	-3,2%	(135.414)	-7,3%	101.042	5,7%	-59,0%	-155,0%
Interest expense	(109.009)	-6,4%	(92.142)	-5,0%	(106.931)	-6,0%	18,3%	1,9%
Exchange and monetary variation	53.486	3,1%	(43.272)	-2,3%	207.973	11,6%	223,6%	-74,3%
Other non-operating income/(expense)	(39.477)	-2,3%	2.071	0,1%	(583)	0,0%	-2006,2%	6671,4%
Net income before tax and minority interest	29.763	1,7%	(44.658)	-2,4%	180.724	10,1%	166,6%	-83,5%
Income tax and social contribution	(12.106)	-0,7%	11.170	0,6%	(60.911)	-3,4%	-208,4%	-80,1%
Minority interest	(6.989)	-0,4%	(2.952)	-0,2%	(7.871)	-0,4%	136,8%	-11,2%
Net income / (loss)	10.668	0,6%	(36.440)	-2,0%	111.942	6,3%	129,3%	-90,5%
End of period shares outstanding (000)	332.629.361		332.932.361		332.629.361			
Earnings per 1000 shares	0,03		(0,11)		0,34			

Exhibit 16 Embratel Participações SA Corporate Law Consolidated Income Statement R\$ thousands	Quarter ending						% change	
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	Mar 31	%	Mar 31	%	Dec 31	%		
Revenues								
Gross revenues	2.181.691		2.371.797		2.253.149		-8,0%	-3,2%
Taxes & other deductions	(472.949)		(519.667)		(467.034)		-9,0%	1,3%
Net revenues	1.708.742	100,0%	1.852.130	100,0%	1.786.115	100,0%	-7,7%	-4,3%
Personnel	(136.487)	-8,0%	(147.847)	-8,0%	(169.300)	-9,5%	-7,7%	-19,4%
Third-party services	(232.669)	-13,6%	(224.434)	-12,1%	(277.246)	-15,5%	3,7%	-16,1%
Interconnection & facilities	(788.902)	-46,2%	(909.701)	-49,1%	(839.621)	-47,0%	-13,3%	-6,0%
Allowance for doubtful accounts	(106.153)	-6,2%	(173.694)	-9,4%	(137.458)	-7,7%	-38,9%	-22,8%
Taxes	(36.744)	-2,2%	(42.866)	-2,3%	(27.064)	-1,5%	-14,3%	35,8%
Employees' profit sharing	(13.527)	-0,8%	(8.754)	-0,5%	(8.114)	-0,5%	54,5%	66,7%
Others	(28.988)	-1,7%	(21.612)	-1,2%	(27.245)	-1,5%	34,1%	6,4%
Total Operating Costs/Expenses	(1.343.470)	-78,6%	(1.528.908)	-82,5%	(1.486.048)	-83,2%	-12,1%	-9,6%
Other operating income/(expense)	3.571	0,2%	1.489	0,1%	15.866	0,9%	139,8%	-77,5%
EBITDA	368.843	21,6%	324.711	17,5%	315.933	17,7%	13,6%	16,7%
Net income / (loss)	10.668	0,6%	(36.440)	-2,0%	111.942	6,3%	129,3%	-90,5%
End of period shares outstanding (000)	332.629.361		332.932.361		332.629.361			
Earnings per 1000 shares	0,03		(0,11)		0,34			

Exhibit 17
**Embratel Participações SA
Corporate Law - Consolidated Balance Sheet
R\$ thousands**

	2003 Mar 31	2002 Dec 31
Assets		
Cash and cash equivalents	525.999	886.991
Account receivables, net	1.500.861	1.590.996
Deferred and recoverable taxes	490.960	437.838
Other current assets	361.040	249.055
Current assets	2.878.860	3.164.880
Deferred and recoverable taxes	1.207.762	1.185.636
Legal deposits	280.476	270.011
Other non-current assets	41.889	40.385
Non-current assets	1.530.127	1.496.032
Investments	263.422	267.042
Net property, plant & equipment	7.599.570	7.795.867
Deferred fixed assets	111.638	121.787
Permanent assets	7.974.630	8.184.696
Total assets	12.383.617	12.845.608
Liabilities		
Personnel, charges and social benefits	106.455	118.075
Accounts payable and accrued expenses	1.626.273	1.680.690
Taxes and contributions	271.000	252.284
Dividends and interest on capital payable	23.434	23.466
Proposed dividends and interest on capital	14.254	14.254
Short term debt and current portion of long term debt	1.926.630	2.566.482
Provisions for contingencies	52.761	53.378
Actuarial liabilities -Telos	68.209	63.973
Employees' profit sharing	38.649	42.113
Subsidiaries and associated companies	8.065	96.671
Other current liabilities	130.214	121.457
Current liabilities	4.265.944	5.032.843
Taxes and contributions	55.516	55.557
Long term debt	2.643.578	2.325.453
Actuarial liabilities -Telos	310.579	338.982
Other non-current liabilities	27.008	27.008
Non-current liabilities	3.036.681	2.747.000
Deferred income	119.351	121.889
Minority interest	231.153	224.083
Paid in capital	2.273.913	2.273.913
Revenue reserves	1.912.113	1.912.113
Treasury stock	(41.635)	(41.635)
Retained earnings	586.097	575.402
Shareholders' equity	4.730.488	4.719.793
Total liabilities and shareholders' equity	12.383.617	12.845.608
Total borrowed funds	4.570.208	4.891.935
Net debt	4.044.209	4.004.944
Net debt/Shareholders equity	0,85	0,85

Exhibit 18 Embratel Participações SA R\$ thousands	2001	2002				2003
	YTD					
	Dec 31	Mar 31	Jun 30	Sep 30	Dec 31	Mar 31
Net voice revenues	5.686.476	1.347.191	1.371.647	1.325.145	1.244.079	1.180.942
Net Domestic long distance	4.555.279	1.119.337	1.134.346	1.092.271	1.010.842	954.684
International long distance (outbound & inbound)	1.131.197	227.854	237.301	232.874	233.237	226.258
Net revenues	7.735.081	1.852.130	1.886.329	1.847.055	1.786.115	1.708.742
Cost of Services	(4.299.726)	(1.015.784)	(1.027.842)	(996.862)	(979.148)	(911.289)
Interconnection & facilities (TU-RL, TU-RIU, TU-M, Leased lines, international settlement)	(3.841.612)	(909.701)	(915.333)	(874.188)	(839.621)	(788.902)
<i>Interconnection (% of net revenues)</i>	-49,7%	-49,1%	-48,5%	-47,3%	-47,0%	-46,2%

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