

Embratel Participações SA													
Consolidated Income Statement - Corporate Law													
R\$ millions	Quarter ending						%		Twelve months ending				%
	Dec 31, U3	%	Sep 30, U4	%	Dec 31, U4	%	YoY	QoQ	Dec 31, U3	%	Dec 31, U4	%	
<b>Revenues</b>													
<b>Gross revenues</b>	2,464.3		2,338.8		2,461.5		-0.1%	5.2%	9,177.2		9,687.4		5.6%
Taxes & other deductions	(589.9)		(563.8)		(603.0)		2.2%	7.0%	(2,133.6)		(2,354.6)		10.4%
<b>Net revenues</b>	1,874.3	100.0%	1,774.9	100.0%	1,858.5	100.0%	-0.8%	4.7%	7,043.6	100.0%	7,332.9	100.0%	4.1%
<b>Net voice revenues</b>	1,306.2	69.7%	1,124.3	63.3%	1,204.3	64.8%	-7.8%	7.1%	4,908.3	69.7%	4,781.7	65.2%	-2.6%
Domestic long distance	1,094.3	58.4%	948.8	53.5%	1,001.5	53.9%	-8.5%	5.6%	4,051.7	57.5%	4,012.8	54.7%	-1.0%
International long distance	211.9	11.3%	175.5	9.9%	202.8	10.9%	-4.3%	15.6%	856.6	12.2%	768.9	10.5%	-10.2%
<b>Net data communications</b>	425.5	22.7%	425.0	23.9%	437.4	23.5%	2.8%	2.9%	1,756.1	24.9%	1,709.4	23.3%	-2.7%
<b>Local services</b>	82.7	4.4%	163.6	9.2%	152.7	8.2%	84.7%	-6.7%	134.5	1.9%	607.6	8.3%	351.9%
<b>Other services</b>	59.9	3.2%	62.0	3.5%	64.1	3.4%	6.9%	3.3%	244.7	3.5%	234.1	3.2%	-4.3%
<b>Net revenues</b>	1,874.3	100.0%	1,774.9	100.0%	1,858.5	100.0%	-0.8%	4.7%	7,043.6	100.0%	7,332.9	100.0%	4.1%
<b>Cost of services</b>	(1,000.3)	-53.4%	(1,000.7)	-56.4%	(986.7)	-53.1%	-1.4%	-1.4%	(3,737.3)	-53.1%	(4,017.5)	-54.8%	7.5%
Interconnection & facilities	(869.3)	-46.4%	(822.3)	-46.3%	(849.3)	-45.7%	-2.3%	3.3%	(3,234.0)	-45.9%	(3,362.5)	-45.9%	4.0%
Personnel	(57.4)	-3.1%	(61.9)	-3.5%	(61.1)	-3.3%	6.3%	-1.4%	(214.8)	-3.0%	(246.8)	-3.4%	14.9%
Third-party services	(55.9)	-3.0%	(47.0)	-2.7%	(57.1)	-3.1%	2.2%	20.1%	(222.0)	-3.2%	(229.4)	-3.1%	3.1%
Other	(17.6)	-0.9%	(68.9)	-3.9%	(19.2)	-1.0%	9.0%	-72.2%	(65.9)	-0.9%	(178.8)	-2.4%	171.1%
<b>Selling expenses</b>	(202.4)	-10.8%	(216.4)	-12.2%	(249.3)	-13.4%	23.2%	15.2%	(784.8)	-11.1%	(896.7)	-12.2%	14.3%
Personnel	(64.5)	-3.4%	(74.7)	-4.2%	(72.5)	-3.9%	12.3%	-3.0%	(238.9)	-3.4%	(278.6)	-3.8%	16.6%
Third-party services	(50.3)	-2.7%	(52.8)	-3.0%	(80.2)	-4.3%	59.7%	52.0%	(180.2)	-2.6%	(244.2)	-3.3%	35.5%
Allowance for doubtful accounts	(01.9)	-4.4%	(06.9)	-4.9%	(95.2)	-5.1%	16.3%	9.5%	(353.1)	-5.0%	(366.6)	-5.0%	3.0%
Other	(5.7)	-0.3%	(1.9)	-0.1%	(1.3)	-0.1%	-77.1%	-30.2%	(12.6)	-0.2%	(7.3)	-0.1%	-42.2%
<b>G&amp;A expenses</b>	(204.2)	-10.9%	(229.1)	-12.9%	(103.8)	-5.6%	-49.2%	-54.7%	(813.5)	-11.5%	(886.4)	-12.1%	9.0%
Personnel & Employee profit sharing	(50.7)	-2.7%	(60.2)	-3.4%	(31.7)	-1.7%	-37.6%	-47.4%	(191.3)	-2.7%	(298.5)	-4.1%	56.0%
Third-party services	(123.8)	-6.6%	(117.8)	-6.6%	(54.3)	-2.9%	-56.1%	-53.9%	(500.5)	-7.1%	(457.4)	-6.2%	-8.6%
Taxes	(17.7)	0.0%	(49.6)	2.8%	3.6	0.2%	nm	nm	(73.2)	1.0%	(81.6)	1.1%	11.5%
Other	(12.0)	-0.6%	(1.5)	-0.1%	(21.4)	-1.2%	78.8%	1292.6%	(48.5)	-0.7%	(48.9)	-0.7%	0.9%
<b>Other operating income/(expense)</b>	14.8	0.8%	(88.0)	-5.0%	(181.8)	-9.8%	nm	106.6%	74.9	1.1%	(158.9)	-2.2%	nm
<b>EBITDA</b>	482.3	25.7%	240.8	13.6%	336.9	18.1%	-30.2%	39.9%	1,783.0	25.3%	1,373.4	18.7%	-23.0%
Depreciation and amortization	(287.8)	-15.4%	(284.2)	-16.0%	(278.9)	-15.0%	-3.1%	-1.9%	(1,152.8)	-16.4%	(1,145.7)	-15.6%	-0.6%
<b>Operating income (EBIT)</b>	194.6	10.4%	(43.4)	-2.4%	58.0	3.1%	-70.2%	nm	630.2	8.9%	227.7	3.1%	-63.9%
<b>Financial income, monetary and exchange variation</b>	47.7	2.5%	18.8	1.1%	301.2	16.2%	531.3%	1502.6%	139.9	2.0%	521.9	7.1%	273.2%
Financial income	61.7	3.3%	52.0	2.9%	60.9	3.3%	-1.3%	17.1%	244.2	3.5%	271.5	3.7%	11.2%
Monetary and exchange variation (income)	(14.0)	-0.7%	(33.2)	-1.9%	240.3	12.9%	nm	nm	(104.3)	-1.5%	250.4	3.4%	nm
<b>Financial expense, monetary and exchange variatio</b>	(212.9)	-11.4%	(22.5)	-1.3%	(594.0)	-32.0%	179.1%	2544.7%	(299.8)	-4.3%	(1,140.5)	-15.6%	280.4%
Financial expense	(144.4)	-7.7%	(129.9)	-7.3%	(152.4)	-8.2%	5.5%	17.3%	(510.3)	-7.2%	(589.6)	-8.0%	15.5%
Monetary and exchange variation (expense)	(68.5)	-3.7%	107.4	6.1%	(441.7)	-23.8%	544.9%	nm	210.6	3.0%	(550.9)	-7.5%	nm
<b>Other non-operating income/(expense)</b>	95.6	5.1%	(5.8)	-0.3%	(33.3)	-1.8%	nm	477.5%	(70.4)	-1.0%	(43.3)	-0.6%	-38.4%
<b>Extraordinary non-operating income - ILL</b>	-	0.0%	-	0.0%	-	0.0%	nm	nm	-	0.0%	106.8	1.5%	nm
<b>Net income/(loss) before tax and minority interest</b>	125.0	6.7%	(52.8)	-3.0%	(268.2)	-14.4%	nm	407.4%	399.9	5.7%	(327.4)	-4.5%	nm
Income tax and social contribution	(41.8)	-2.2%	(4.1)	-0.2%	67.6	3.6%	nm	nm	(136.9)	-1.9%	25.4	0.3%	nm
Minority interest	(14.1)	-0.8%	(9.7)	-0.5%	(12.5)	-0.7%	-11.6%	29.5%	(39.4)	-0.6%	(37.2)	-0.5%	-5.4%
<b>Net income/(loss)</b>	69.1	3.7%	(66.6)	-3.8%	(213.1)	-11.5%	nm	219.9%	223.6	3.2%	(339.3)	-4.6%	nm
End of period shares outstanding (Billions)	333.4		332.8		333.0				333.4		333.0		
Earnings/(losses) per 1000 shares (R\$)	0.2		(0.2)		(0.6)				0.7		(1.0)		

Exhibit 2												
Embratel Participações SA												
Consolidated Income Statement - Corporate La												
R\$ millions	Quarter ending						%		Twelve months ending			
	Dec 31, 03	%	Sep 30, 04	%	Dec 31, 04	%	YoY	QoQ	Dec 31, 03	%	Dec 31, 04	%
<b>Revenues</b>												
<b>Gross revenues</b>	<b>2,464.3</b>		<b>2,338.8</b>		<b>2,461.5</b>		<b>-0.1%</b>	<b>5.2%</b>	<b>9,177.2</b>		<b>9,687.4</b>	
Taxes & other deductions	(589.9)		(563.8)		(603.0)		2.2%	7.0%	(2,133.6)		(2,354.6)	
<b>Net revenues</b>	<b>1,874.3</b>	<b>100.0%</b>	<b>1,774.9</b>	<b>100.0%</b>	<b>1,858.5</b>	<b>100.0%</b>	<b>-0.8%</b>	<b>4.7%</b>	<b>7,043.6</b>	<b>100.0%</b>	<b>7,332.9</b>	<b>100.0%</b>
Interconnection & facilities	(869.3)	-46.4%	(822.3)	-46.3%	(849.3)	-45.7%	-2.3%	3.3%	(3,234.0)	-45.9%	(3,362.5)	-45.9%
Personnel & Employee profit sharing	(172.7)	-9.2%	(196.9)	-11.1%	(165.2)	-8.9%	-4.3%	-16.1%	(645.0)	-9.2%	(823.9)	-11.2%
Third-party services	(229.9)	-12.3%	(218.2)	-12.3%	(191.7)	-10.3%	-16.6%	-12.1%	(903.2)	-12.8%	(931.0)	-12.7%
Allowance for doubtful accounts	(81.9)	-4.4%	(86.9)	-4.9%	(95.2)	-5.1%	16.3%	9.5%	(353.1)	-5.0%	(366.6)	-5.0%
Taxes	(17.7)	-0.9%	(49.6)	-2.8%	3.6	0.2%	nm	nm	(73.2)	-1.0%	(81.6)	-1.1%
Other	(35.3)	-1.9%	(72.3)	-4.1%	(41.9)	-2.3%	18.8%	-42.0%	(127.0)	-1.8%	(235.0)	-3.2%
<b>Total Operating Costs / Expenses</b>	<b>(1,406.8)</b>	<b>-75.1%</b>	<b>(1,446.1)</b>	<b>-81.5%</b>	<b>(1,339.8)</b>	<b>-72.1%</b>	<b>-4.8%</b>	<b>-7.4%</b>	<b>(5,335.5)</b>	<b>-75.7%</b>	<b>(5,800.5)</b>	<b>-79.1%</b>
Other operating income/(expense)	14.0	0.8%	(88.0)	-5.0%	(101.0)	-9.8%	nm	106.6%	74.9	1.1%	(158.9)	-2.2%
<b>EBITDA</b>	<b>482.3</b>	<b>25.7%</b>	<b>240.8</b>	<b>13.6%</b>	<b>336.9</b>	<b>18.1%</b>	<b>-30.2%</b>	<b>39.9%</b>	<b>1,783.0</b>	<b>25.3%</b>	<b>1,373.4</b>	<b>18.7%</b>
<b>Net income/(loss)</b>	<b>69.1</b>	<b>3.7%</b>	<b>(66.6)</b>	<b>-3.8%</b>	<b>(213.1)</b>	<b>-11.5%</b>	<b>nm</b>	<b>219.9%</b>	<b>223.6</b>	<b>3.2%</b>	<b>(339.3)</b>	<b>-4.6%</b>
End of period shares outstanding (Billions)	333.4		332.8		333.0				333.4		333.0	
Earnings/(losses) per 1000 shares (R\$)	0.2		(0.2)		(0.6)				0.7		(1.0)	

**Exhibit 3**

**Embratel Participações SA**

**Consolidated Balance Sheet - Corporate Law**

**R\$ thousands**

**Dec 31, 2003 Sep 30, 2004 Dec 31, 2004**

	<b>Dec 31, 2003</b>	<b>Sep 30, 2004</b>	<b>Dec 31, 2004</b>
<b>Assets</b>			
Cash and cash equivalents	1,719,496	803,740	832,028
Account receivables, net	1,672,037	1,567,421	1,428,059
Deferred and recoverable taxes (current)	465,719	847,640	387,572
Other current assets	270,277	306,784	407,419
<b>Current Assets</b>	<b>4,127,529</b>	<b>3,525,585</b>	<b>3,055,078</b>
Deferred and recoverable taxes	1,151,696	973,405	1,306,320
Legal deposits	381,561	412,503	209,477
Other non-current assets	69,930	46,667	37,287
<b>Noncurrent Assets</b>	<b>1,603,187</b>	<b>1,432,575</b>	<b>1,553,084</b>
Investments	39,888	40,202	1,594
Net property, plant & equipment	7,194,329	6,759,611	6,572,605
Deferred fixed assets	2,870	96,630	92,446
<b>Permanent Assets</b>	<b>7,237,087</b>	<b>6,896,443</b>	<b>6,666,645</b>
<b>Total Assets</b>	<b>12,967,803</b>	<b>11,854,603</b>	<b>11,274,807</b>
<b>Liabilities and Shareholders' Equity</b>			
Short term debt and current portion of long term debt	1,217,256	1,467,569	2,099,185
Accounts payable and accrued expenses	1,822,611	1,689,634	1,355,840
Taxes and contributions (current)	347,358	489,363	432,194
Dividends and interest on capital payable	95,386	12,357	12,352
Proposed dividends and interest on capital	18,858	-	23,242
Personnel, charges and social benefits	87,585	112,399	73,781
Employee profit sharing provision	52,107	33,330	33,190
Provision for contingencies	73,749	182,770	477,264
Actuarial liabilities - Telos (current)	64,442	69,407	68,342
Subsidiaries and associated companies	11,994	-	-
Other current liabilities	174,820	137,772	60,991
<b>Current Liabilities</b>	<b>3,966,166</b>	<b>4,194,601</b>	<b>4,636,381</b>
Long term debt	3,373,341	2,177,565	1,330,621
Actuarial liabilities - Telos	328,803	319,723	370,764
Taxes and contributions	52,061	51,872	48,919
Other non-current liabilities	14,890	5,531	915
<b>Non-current Liabilities</b>	<b>3,769,095</b>	<b>2,554,691</b>	<b>1,751,219</b>
<b>Deferred Income</b>	<b>135,358</b>	<b>124,653</b>	<b>144,134</b>
<b>Minority interest position</b>	<b>222,382</b>	<b>241,745</b>	<b>216,703</b>
Paid-in capital	2,273,913	2,273,913	2,273,913
Income reserves	2,620,022	2,620,022	2,620,022
Treasury stock	(19,133)	(18,178)	(16,218)
Retained earnings	-	(136,844)	(351,347)
<b>Shareholders' Equity</b>	<b>4,874,802</b>	<b>4,738,913</b>	<b>4,526,370</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>12,967,803</b>	<b>11,854,603</b>	<b>11,274,807</b>
Total borrowed funds	4,590,597	3,645,134	3,429,806
Net debt	2,871,101	2,841,394	2,597,778
<b>Net debt / Shareholder's Equity</b>	<b>0.59</b>	<b>0.60</b>	<b>0.57</b>
Total Debt / Trailing Ebitda (last 4 quarters)	2.6	2.4	2.5
Net Debt / Trailing Ebitda (last 4 quarters)	1.6	1.9	1.9
Trailing Ebitda / Financial expense (Does not include monetary and exchange variation)	3.5	2.6	2.3
Trailing Ebitda / Net financial expense (including monetary and exchange variation)	11.1	3.1	2.2

Exhibit 4 Embratel Participações SA	Sep 30, 2004				Dec 31, 2004			
	Amounts in R\$ million	%	Average Cost of Debt	Maturity	Amounts in R\$ million	%	Average Cost of Debt	Maturity
Hedged and reais short term debt	1,269.9	86.5%	111,69% CDI	up to 1,0 year	1,524.9	72.6%	97,67% CDI	up to 1,0 year
Unhedged short term debt	197.6	13.5%	US\$ + 4,83%	up to 1,0 year	574.3	27.4%	US\$ + 3,51%	up to 1,0 year
<b>Total short term debt</b>	<b>1,467.6</b>	<b>40.3%</b>			<b>2,099.2</b>	<b>61.2%</b>		
Hedged and reais long term debt	727.3	33.4%	89,41% CDI	up to 4,3 years	330.7	24.9%	70,95% CDI	up to 5,7 years
Unhedged long term debt	1,450.2	66.6%	US\$ + 8,69%	up to 8,7 years	999.9	75.1%	US\$ + 9,56%	up to 9,0 years
<b>Total long term debt</b>	<b>2,177.6</b>	<b>59.7%</b>			<b>1,330.6</b>	<b>38.8%</b>		
Hedged and reais total debt	1,997.3	54.8%	103,58% CDI	up to 4,3 years	1,855.5	54.1%	92,91% CDI	up to 5,7 years
Unhedged total debt	1,647.9	45.2%	US\$ + 8,23%	up to 8,7 years	1,574.3	45.9%	US\$ + 7,35%	up to 9,0 years
<b>Total debt</b>	<b>3,645.1</b>	<b>100.0%</b>	<b>US\$ + 5,21%</b>	<b>up to 8,7 years</b>	<b>3,429.8</b>	<b>100.0%</b>	<b>US\$ + 4,28%</b>	<b>up to 9,0 years</b>

Exhibit 5 Embratel Participações SA Consolidated Statement of Cash Flow - Corporate Law R\$ thousands		3Q04	4Q04	2003	2004
Cash provided by operating activities					
Net income/(loss) - cash flow		(66,609)	(213,060)	223,634	(339,256)
Depreciation/Amortization		284,247	278,929	1,152,753	1,145,660
Exchange and Monetary (Gains)/Losses		(225,873)	(158,788)	(636,851)	(172,713)
Swap Hedge Effects		110,008	81,031	410,283	172,968
Minority Interest - cash flow		9,651	12,497	39,367	37,231
Loss/(Gain) on permanent asset disposal		16,504	103,178	(28,858)	145,458
Goodwill write-off		-	-	101,489	-
Other operating activities		(6,612)	(6,612)	(36,448)	(27,943)
Changes in current and noncurrent assets and liabilities		194,592	180,936	(89,234)	97,830
<b>Net cash provided by operating activities</b>		<b>315,908</b>	<b>278,111</b>	<b>1,136,135</b>	<b>1,059,235</b>
Cash flow from investing activities					
Additions to investments/Goodwill		-	-	32	(807)
Additions to property, plant and equipment		(119,732)	(184,147)	(546,551)	(628,414)
Deferred fixed assets - cash flow		(64)	-	(2,870)	(100,429)
Investments sales		-	43,973	248,339	43,973
<b>Net cash used in investing activities</b>		<b>(119,796)</b>	<b>(140,174)</b>	<b>(301,050)</b>	<b>(685,677)</b>
Cash flow from financing activities					
Loans obtained and repaid		(351,760)	(35,081)	(73,052)	(1,003,990)
Swap Hedge Settlement		(11,639)	(60,651)	132,888	(129,632)
Dividends Paid		32	(14,301)	(30,897)	(116,177)
Other financing activities		2,175	384	(31,519)	(11,227)
<b>Net cash used in financing activities</b>		<b>(361,192)</b>	<b>(109,649)</b>	<b>(2,580)</b>	<b>(1,261,026)</b>
Increase in cash and cash equivalents		(165,080)	28,288	832,505	(887,468)
Cash and cash equivalents at beginning of period		968,820	803,740	886,991	1,719,496
Cash and cash equivalents at end of period		803,740	832,028	1,719,496	832,028