

FIXED TELEPHONY OBSERVATORY

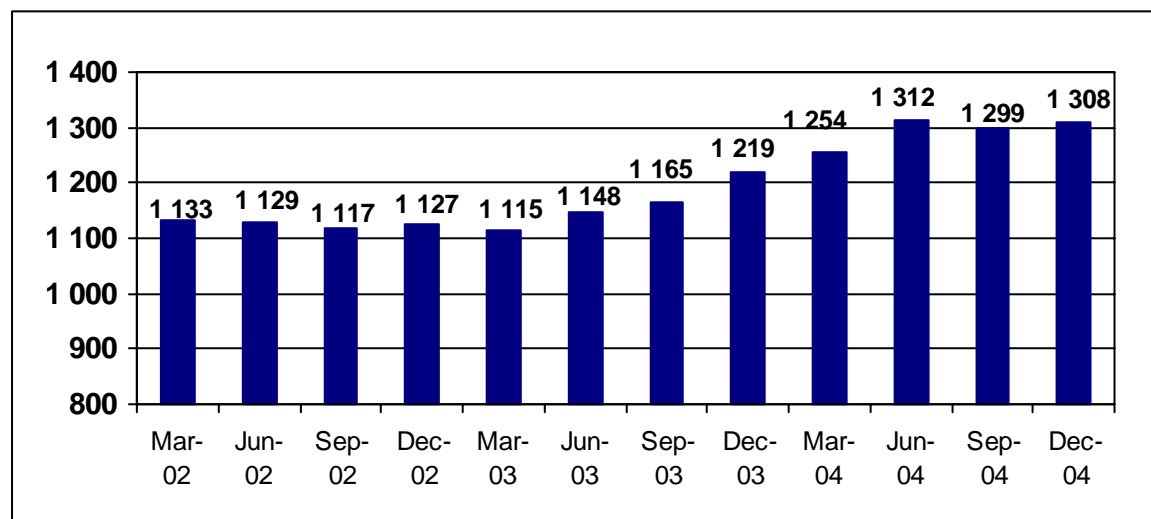
DECEMBER 31ST 2004

Global fixed telephony market

Fixed lines number

Fixed lines	dec-03	mar-04	jun-04	sep-04	dec-04
Market size	1 219 213	1 254 198	1 312 476	1 299 488	1 308 569
quarterly growth ¹	53 672	34 985	58 278	-12 988	9 081
Growth (%) ²	4,60%	2,87%	4,65%	-0,99%	0,70%
Penetration rate	4,11%	4,23%	4,43%	4,32%	4,38%

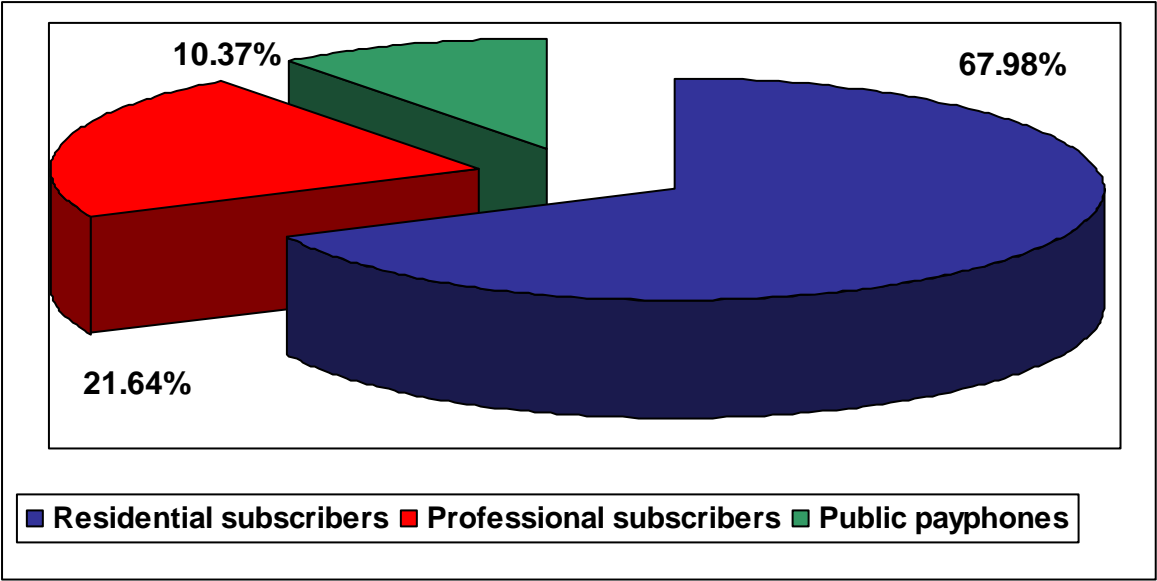
Quarterly Evolution of Fixed telephony market size (in thousands)



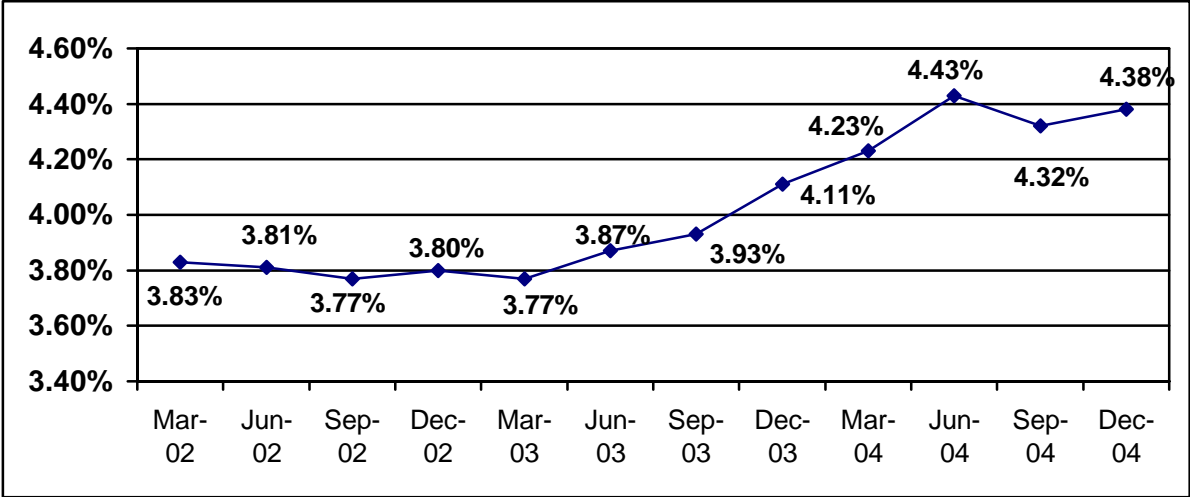
¹ The growth at the quarter N equals to the difference between the market size of N and N-1.

² % of growth at the quarter N equals to the difference between the market size of N and N-1 divided by the market size of N-1.

Fixed Market Repartition



Quarterly Evolution of penetration rate

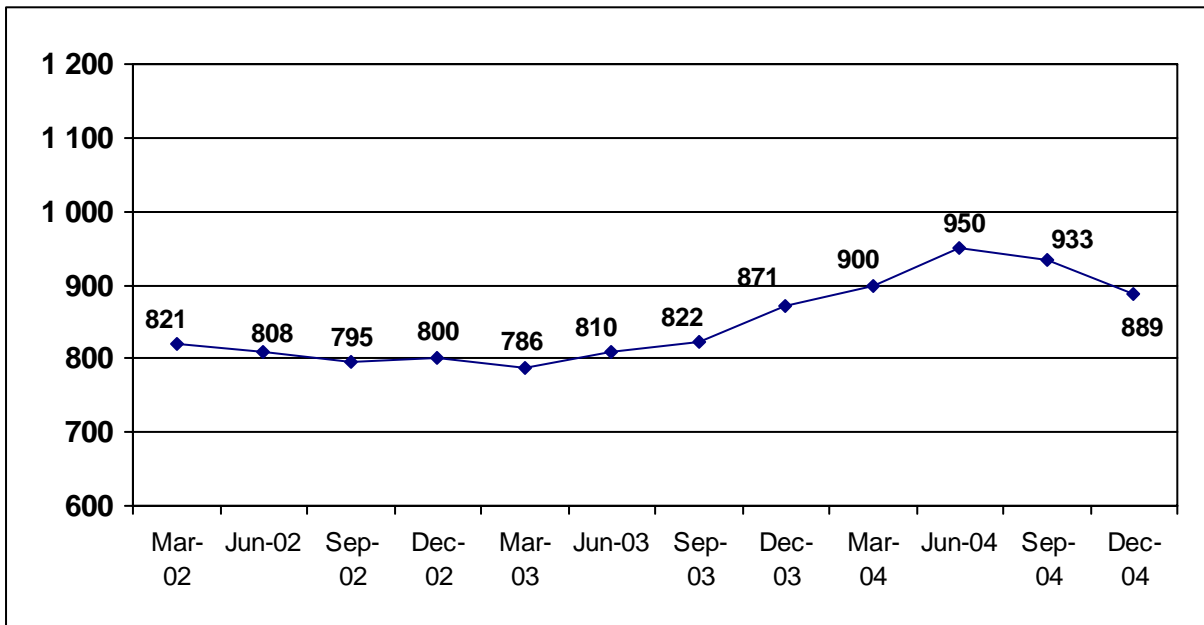


RESIDENTIALS SEGMENT

Number of residential subscribers:

Residential subscribers	dec-03	mar-04	jun-04	sep-04	dec-04
Market size	871 366	900 036	950 499	933 733	889 623
quarterly growth	49 215	28 670	50 463	-16 766	-44 110
Growth (%)	5,99%	3,29%	5,61%	-1,76%	-4,72%

Quarterly Evolution of residential market size (in thousands)

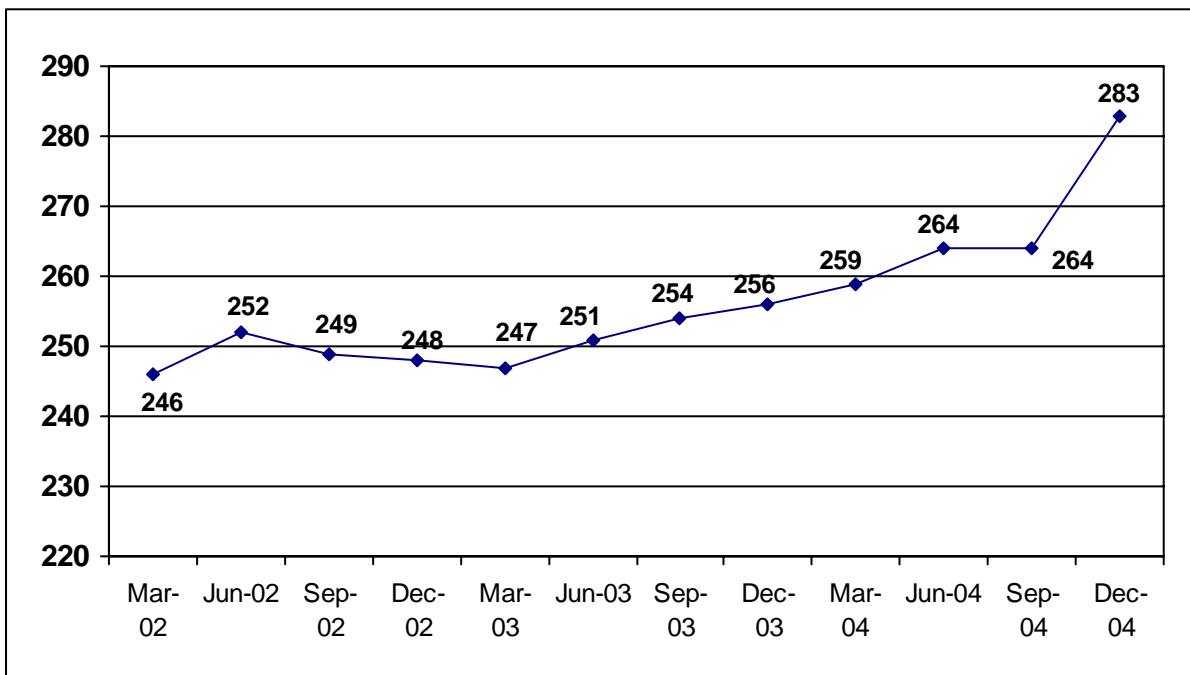


PROFESSIONALS SEGMENT

Number of Professional subscribers

Professional subscribers	dec-03	mar-04	jun-04	sep-04	dec-04
Market size	256 333	259 119	264 507	264 474	283 186
quarterly growth	2 236	2 786	5 388	-33	18 712
Growth (%)	0,88%	1,09%	2,08%	-0,01%	7,08%

Quarterly Evolution of Professional market size (in thousands)

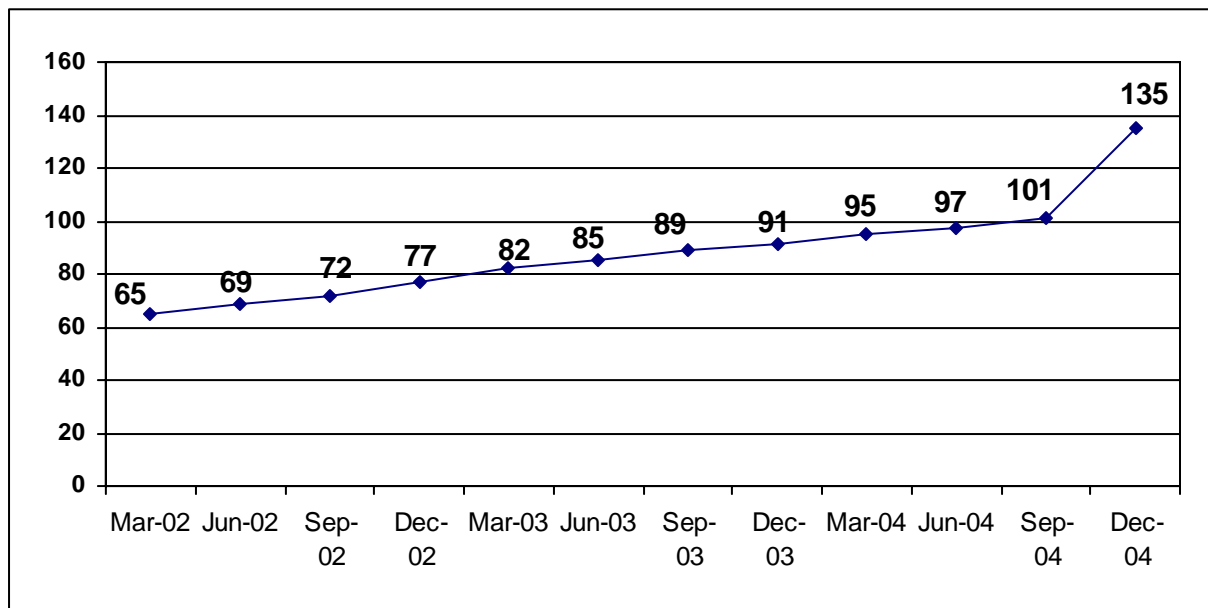


PUBLIC PAYPHONES

Number of Public payphones¹

Public payphones	dec-03	mar-04	jun-04	sep-04	dec-04
Market size	91 514	95 043	97 470	101 281	135 760
quarterly growth	2 221	3 529	2 427	3 811	34 479
Growth (%)	2,49%	3,86%	2,55%	3,91%	34,04%

Quarterly Evolution of Public payphones market size (in thousands)



¹ The public payphones includes phone shops, coin and card public telephones.