

FIXED TELEPHONY OBSERVATORY

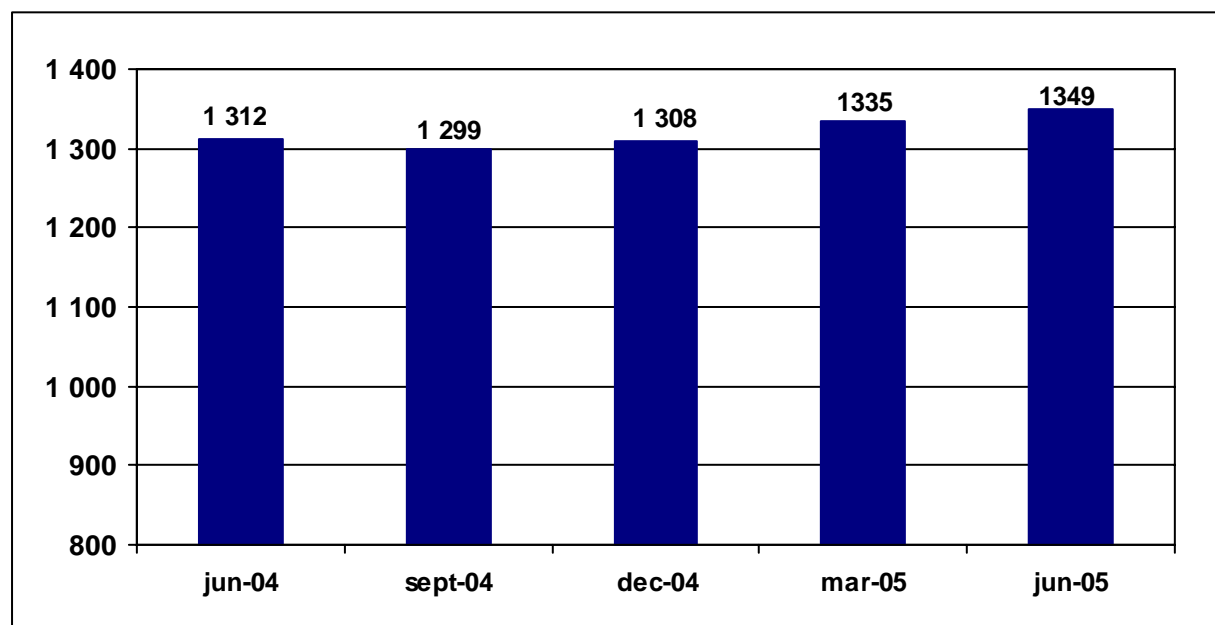
JUNE 30th 2005

Global fixed telephony market

Fixed lines number

| Fixed lines | jun-04 | sep-04 | dec-04 | mar-05 | Jun-05 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| Market size | 1 312 476 | 1 299 488 | 1 308 569 | 1 335 328 | 1 349 098 |
| quarterly growth ¹ | 58 278 | -12 988 | 9 081 | 26 759 | 13 770 |
| Growth (%) ² | 4,65% | -0,99% | 0,70% | 2,04% | 1.03% |
| Penetration rate | 4,43% | 4,32% | 4,38% | 4,47% | 4.51% |

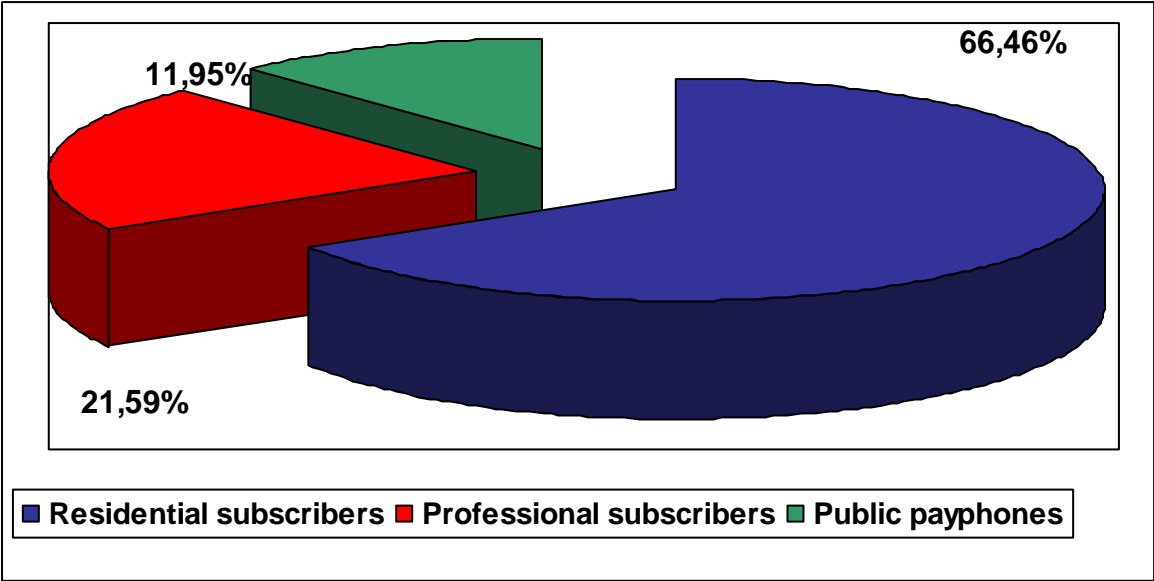
Quarterly Evolution of Fixed telephony market size (in thousands)



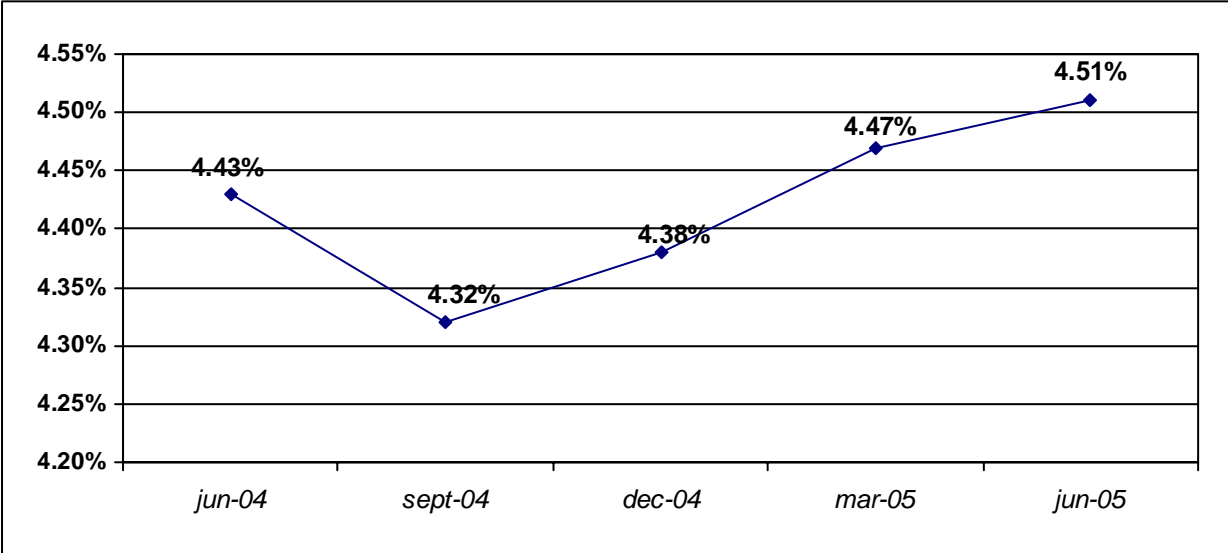
¹ The growth at the quarter N equals to the difference between the market size of N and N-1.

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

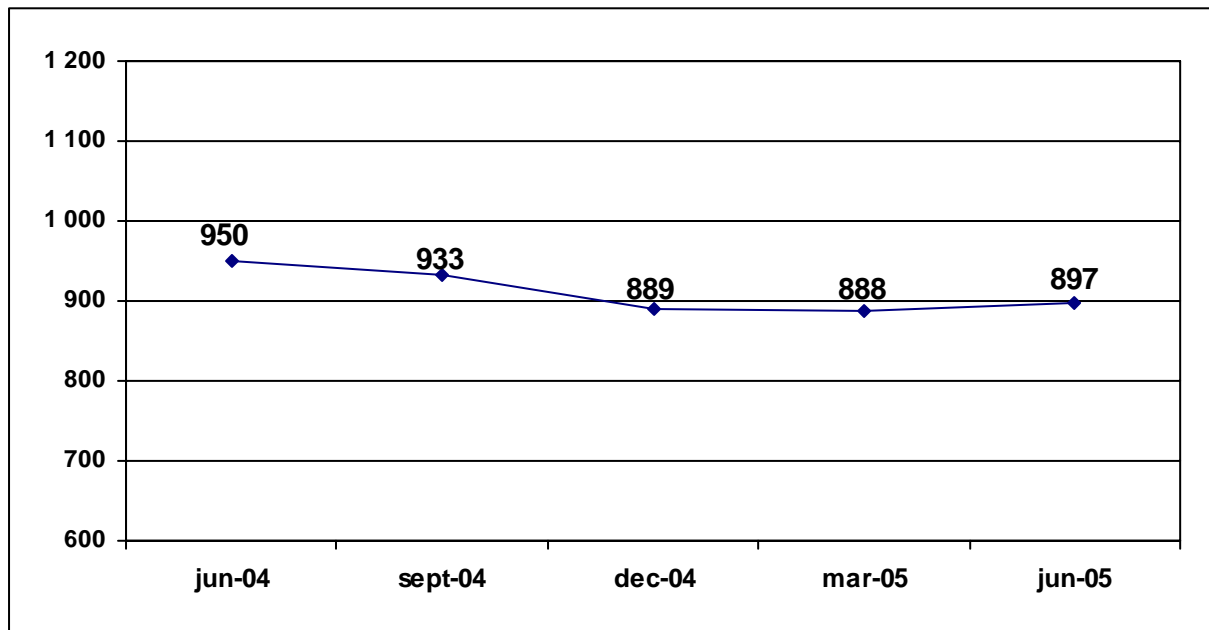


RESIDENTIALS SEGMENT

Number of residential subscribers:

| Residential subscribers | jun-04 | sep-04 | dec-04 | mar-05 | Jun-05 |
|-------------------------|---------|---------|---------|---------|---------|
| Market size | 950 499 | 933 733 | 889 623 | 888 678 | 896 583 |
| quarterly growth | 50 463 | -16 766 | -44 110 | -945 | 7 905 |
| Growth (%) | 5,61% | -1,76% | -4,72% | -0,11% | 0,89% |

Quarterly Evolution of residential market size (in thousands)

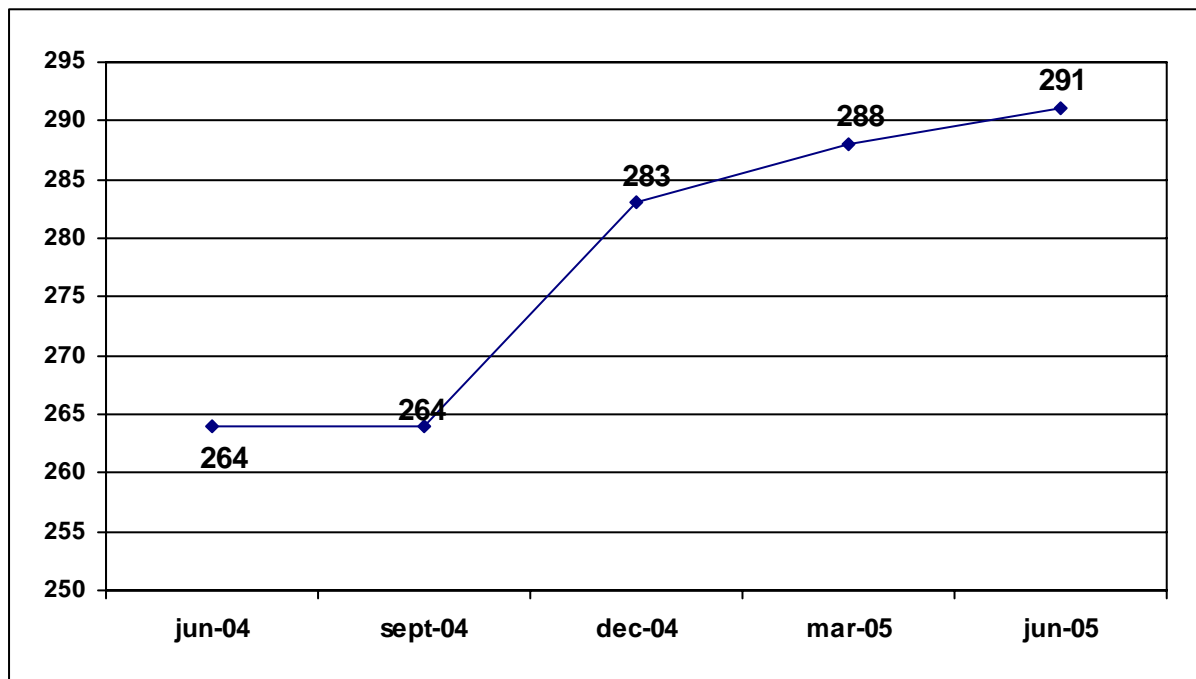


PROFESSIONALS SEGMENT

Number of Professional subscribers

| Professional subscribers | jun-04 | sep-04 | dec-04 | mar-05 | Jun-05 |
|--------------------------|---------|---------|---------|---------|---------|
| Market size | 264 507 | 264 474 | 283 186 | 287 992 | 291 347 |
| quarterly growth | 5 388 | -33 | 18 712 | 4 806 | 3 355 |
| Growth (%) | 2,08% | -0,01% | 7,08% | 1,70% | 1,16% |

Quarterly Evolution of Professional market size (in thousands)

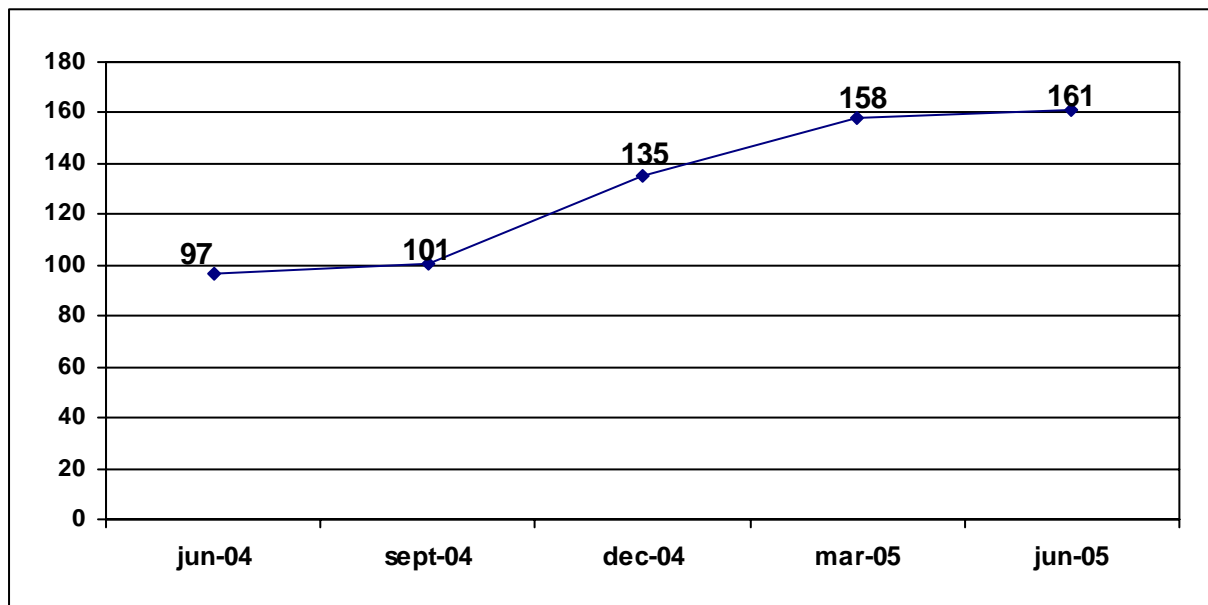


PUBLIC PAYPHONES

Number of Public payphones¹

| Public payphones | jun-04 | sep-04 | dec-04 | mar-05 | Jun-05 |
|------------------|--------|---------|---------|---------|---------|
| Market size | 97 470 | 101 281 | 135 760 | 158 658 | 161 168 |
| quarterly growth | 2 427 | 3 811 | 34 479 | 22 898 | 2 510 |
| Growth (%) | 2,55% | 3,91% | 34,04% | 16,87% | 1,58% |

Quarterly Evolution of Public payphones market size (in thousands)



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