

FIXED TELEPHONY OBSERVATORY

SEPTEMBER 30th 2005

SUMMARY

FIXED TELEPHONY MARKET

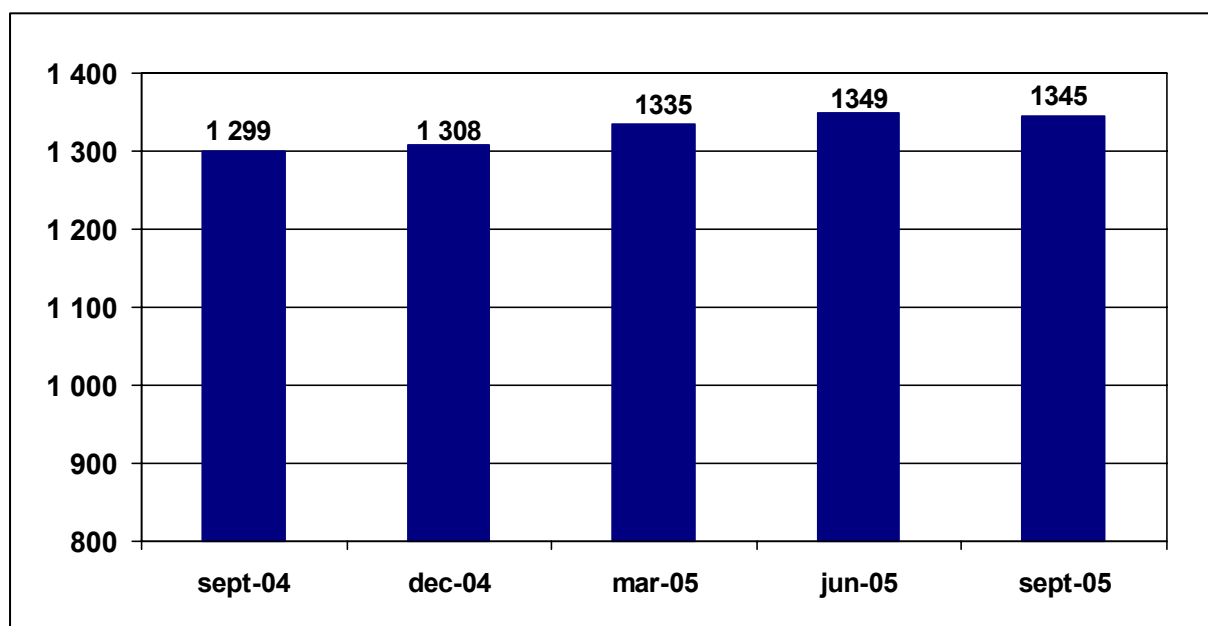
- GLOBAL MARKET
- PENETRATION RATE
- RESIDENTIALS SEGMENT
- PROFESSIONALS SEGMENT
- PUBLIC PAYPHONES

Global fixed telephony market

Fixed lines number

Fixed lines	sep-04	dec-04	mar-05	Jun-05	sep-05
Market size	1 299 488	1 308 569	1 335 328	1 349 098	1 344 725
quarterly growth ¹	-12 988	9 081	26 759	13 770	- 4 373
Growth (%) ²	-0,99%	0,70%	2,04%	1.03%	- 0,32%
Penetration rate	4,32%	4,38%	4,47%	4.51%	4.50%

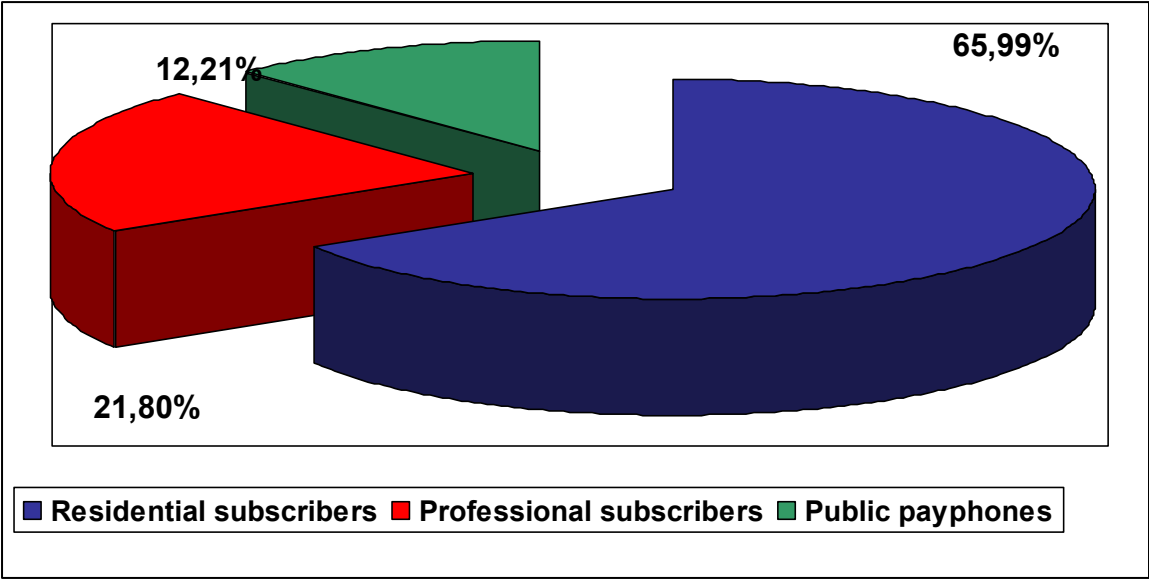
Quarterly Evolution of Fixed telephony market size (in thousands)



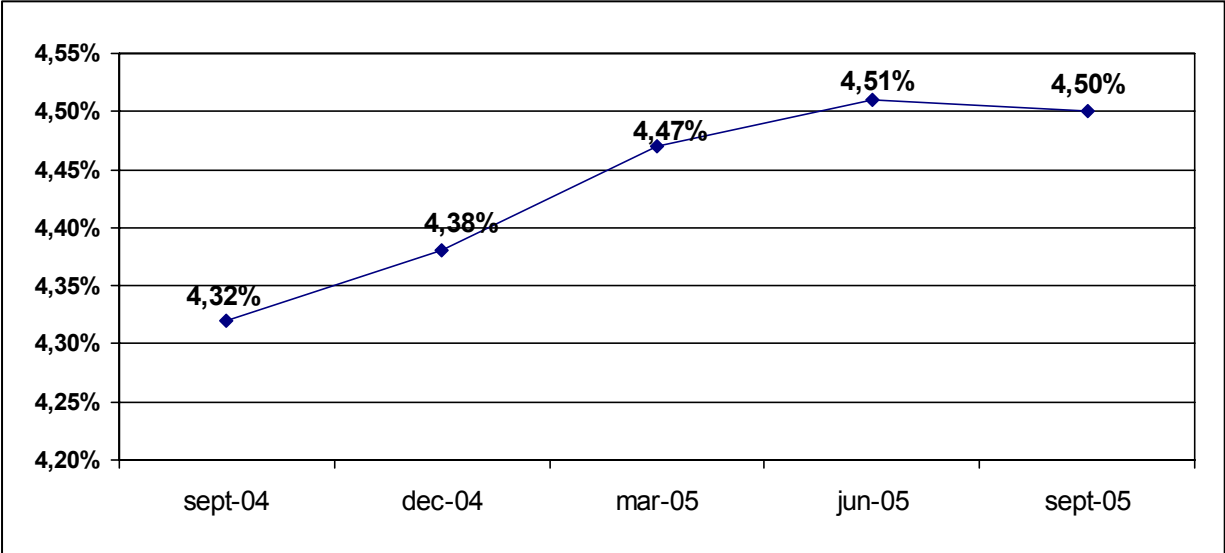
¹ The growth at the quarter N equals to the difference between the market size of N and N-1.

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

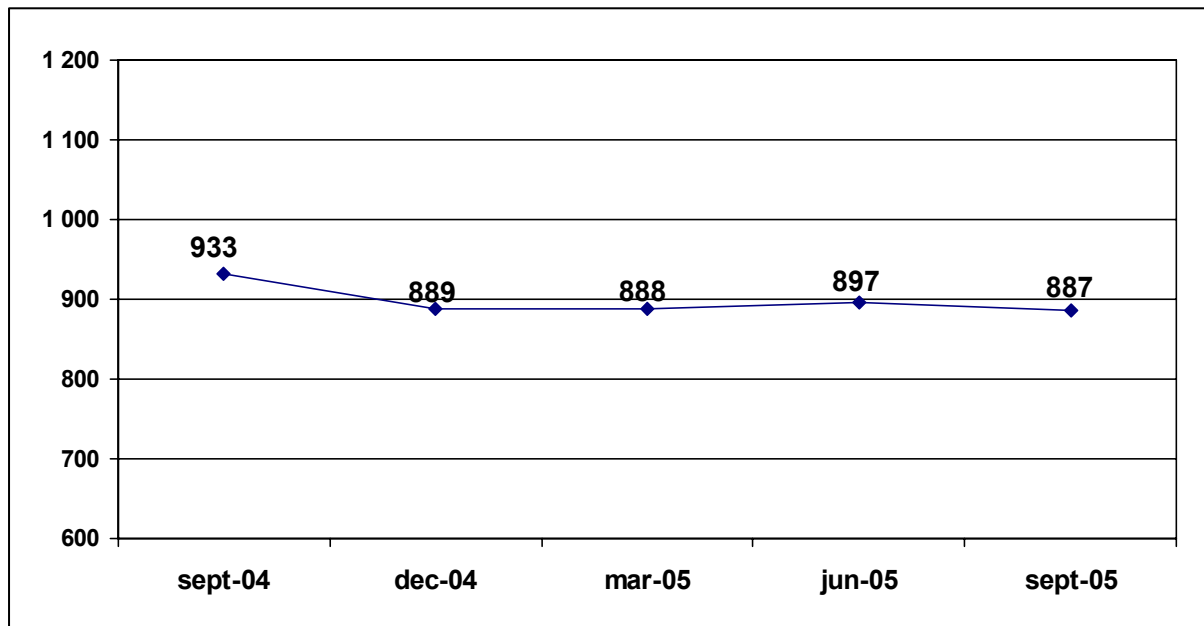


RESIDENTIALS SEGMENT

Number of residential subscribers:

Residential subscribers	sep-04	dec-04	mar-05	Jun-05	sep-05
Market size	933 733	889 623	888 678	896 583	887 337
quarterly growth	-16 766	-44 110	-945	7 905	-9 246
Growth (%)	-1,76%	-4,72%	-0,11%	0,89%	-1,03%

Quarterly Evolution of residential market size (in thousands)

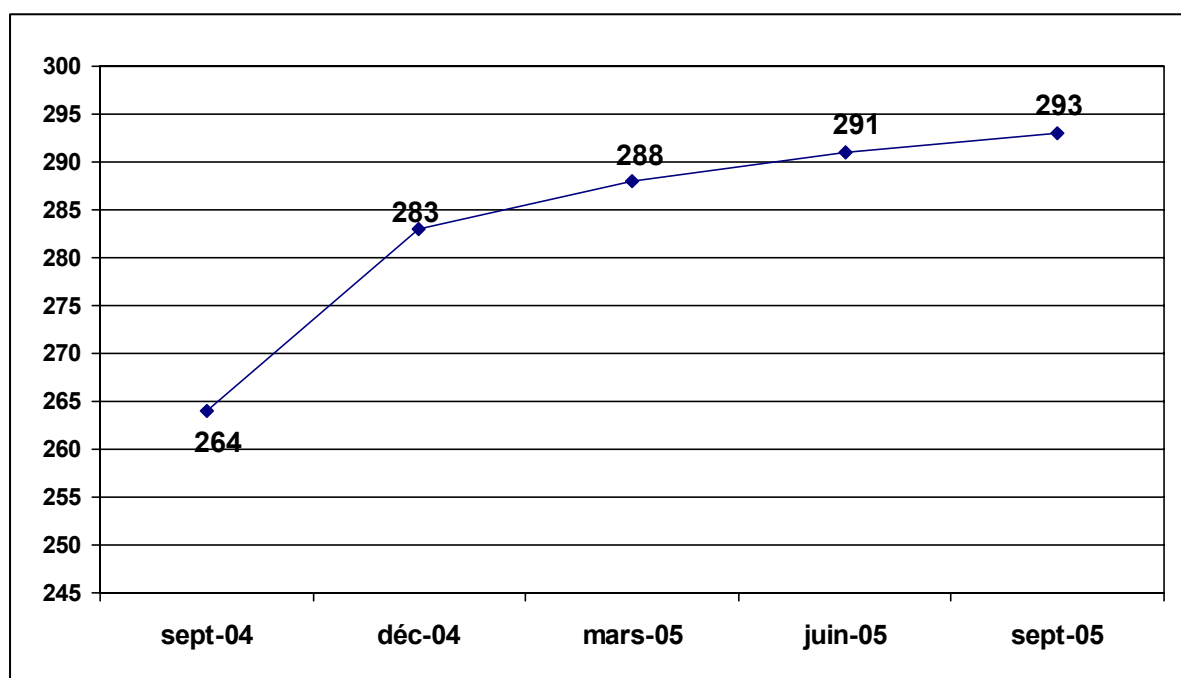


PROFESSIONALS SEGMENT

Number of Professional subscribers

Professional subscribers	sep-04	dec-04	mar-05	Jun-05	sep-05
Market size	264 474	283 186	287 992	291 347	293 182
quarterly growth	-33	18 712	4 806	3 355	1 835
Growth (%)	-0,01%	7,08%	1,70%	1,16%	0,63%

Quarterly Evolution of Professional market size (in thousands)

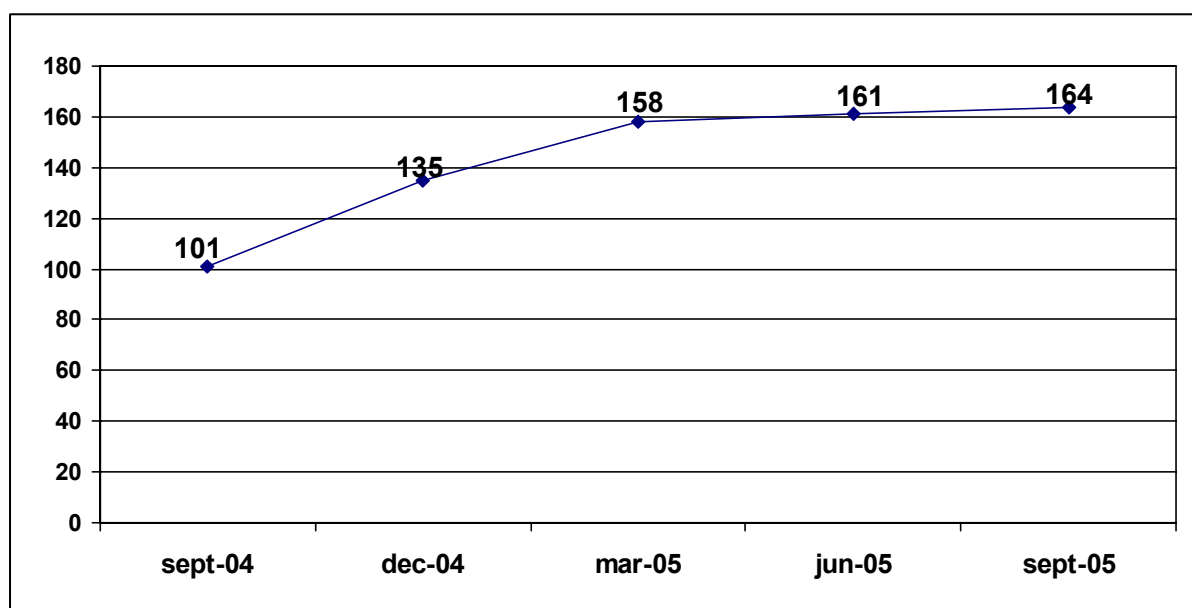


PUBLIC PAYPHONES

Number of Public payphones¹

Public payphones	sep-04	dec-04	mar-05	Jun-05	sep-05
Market size	101 281	135 760	158 658	161 168	164 206
quarterly growth	3 811	34 479	22 898	2 510	3 038
Growth (%)	3,91%	34,04%	16,87%	1,58%	1,88%

Quarterly Evolution of Public payphones market size (in thousands)



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