

FIXED TELEPHONY OBSERVATORY

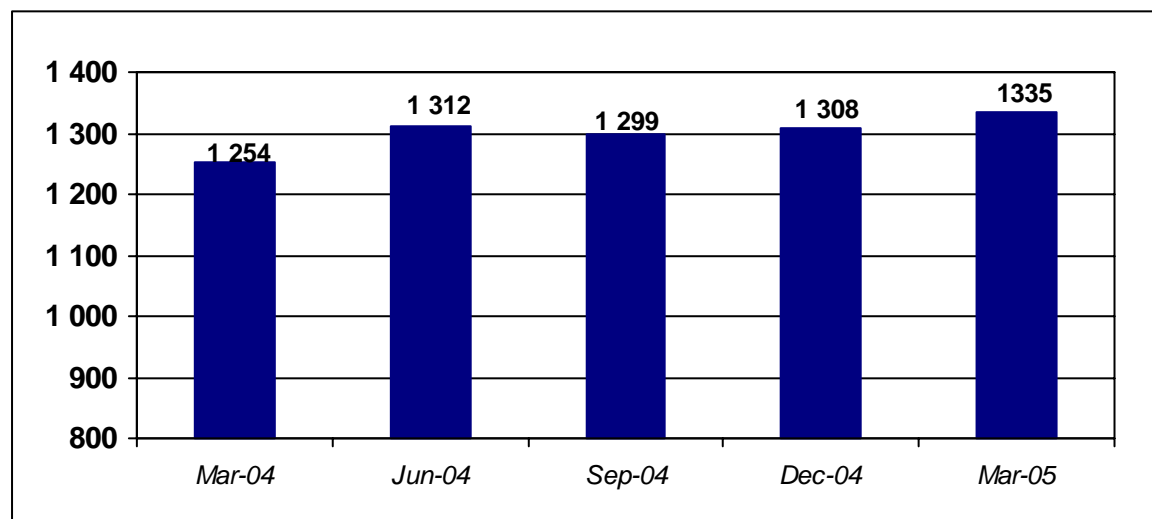
MARCH 31ST 2005

Global fixed telephony market

Fixed lines number

Fixed lines	mar-04	jun-04	sep-04	dec-04	mar-05
Market size	1 254 198	1 312 476	1 299 488	1 308 569	1 335 328
quarterly growth ¹	34 985	58 278	-12 988	9 081	26 759
Growth (%) ²	2,87%	4,65%	-0,99%	0,70%	2,04%
Penetration rate	4,23%	4,43%	4,32%	4,38%	4,47%

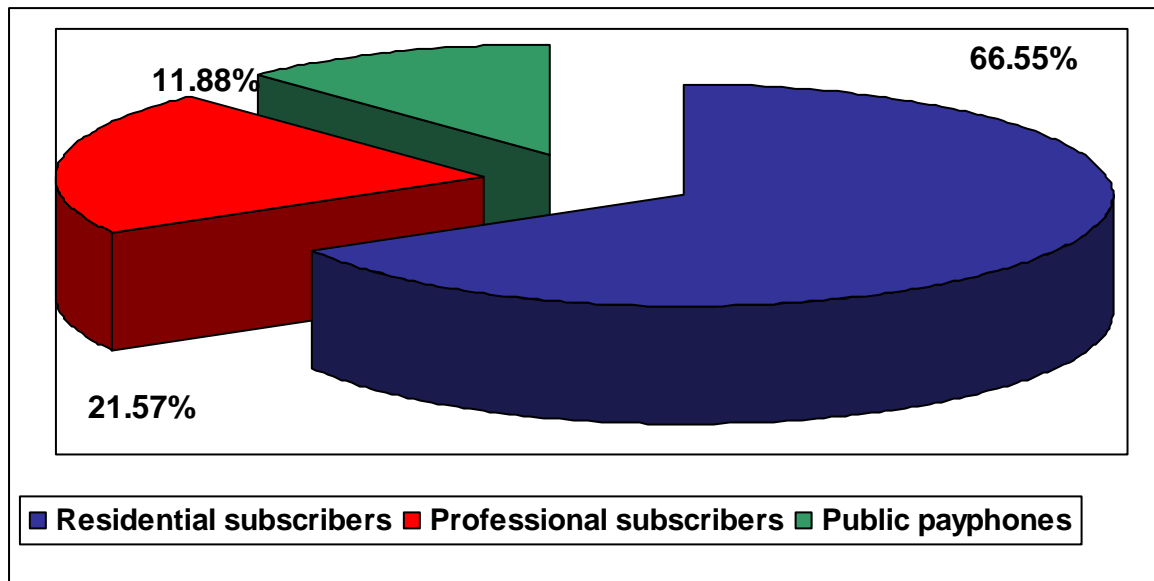
Quarterly Evolution of Fixed telephony market size (in thousands)



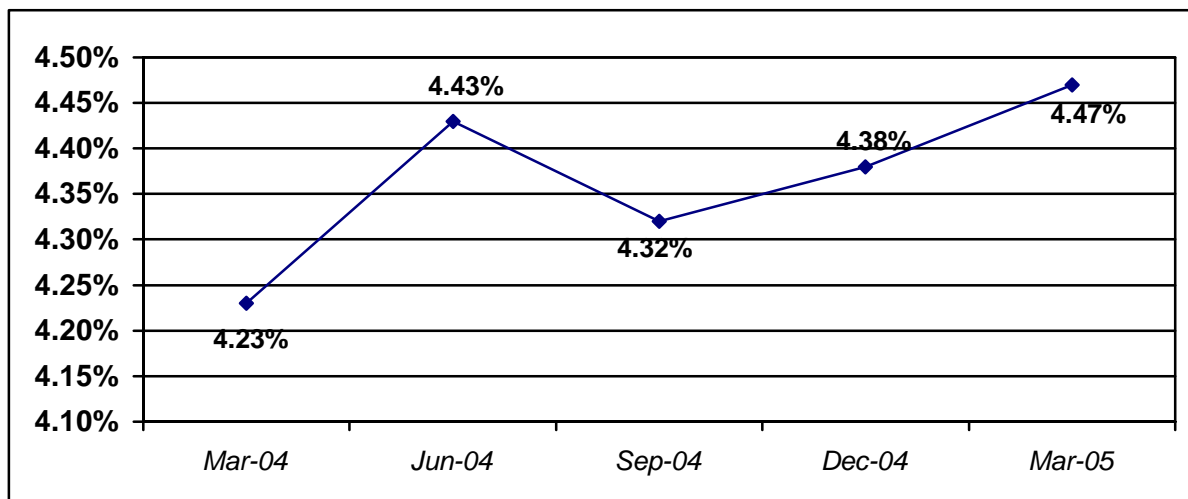
¹ The growth at the quarter N equals to the difference between the market size of N and N-1.

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

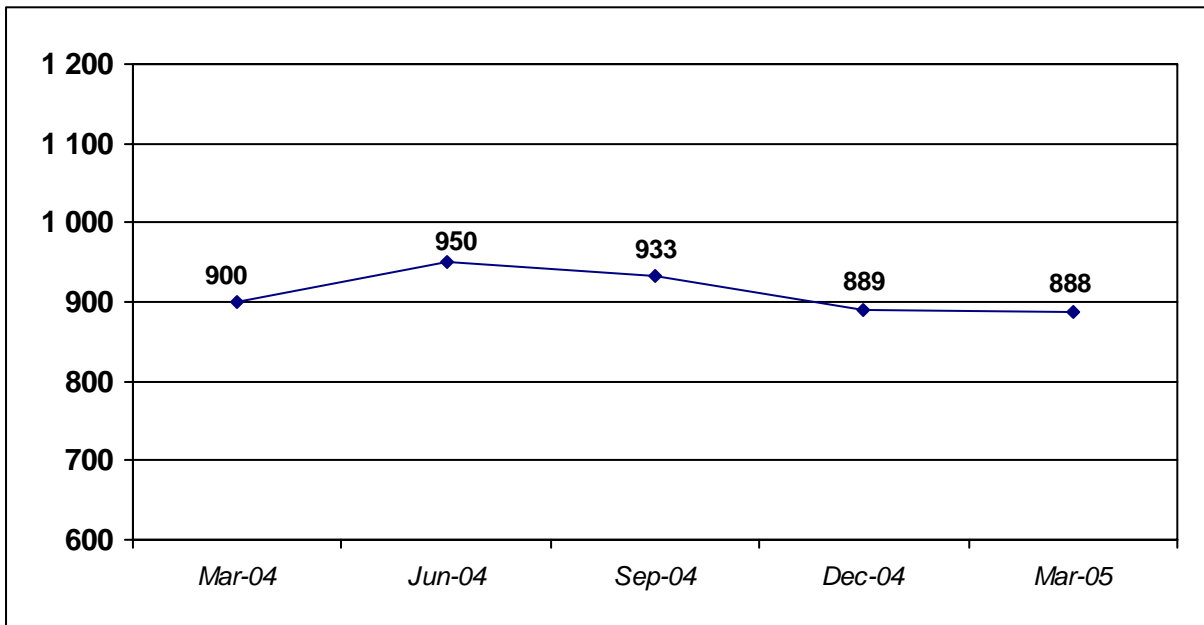


RESIDENTIALS SEGMENT

Number of residential subscribers:

Residential subscribers	mar-04	jun-04	sep-04	dec-04	mar-05
Market size	900 036	950 499	933 733	889 623	888 678
quarterly growth	28 670	50 463	-16 766	-44 110	-945
Growth (%)	3,29%	5,61%	-1,76%	-4,72%	-0,11%

Quarterly Evolution of residential market size (in thousands)

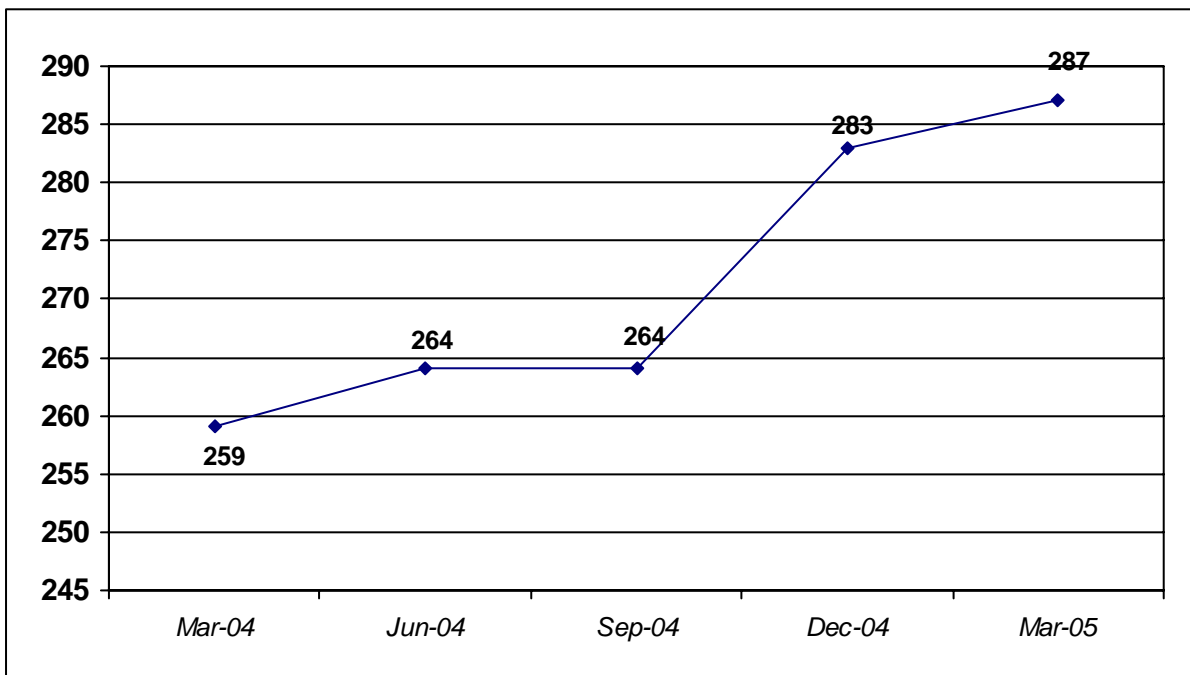


PROFESSIONALS SEGMENT

Number of Professional subscribers

Professional subscribers	mar-04	jun-04	sep-04	dec-04	mar-05
Market size	259 119	264 507	264 474	283 186	287 992
quarterly growth	2 786	5 388	-33	18 712	4 806
Growth (%)	1,09%	2,08%	-0,01%	7,08%	1,70%

Quarterly Evolution of Professional market size (in thousands)

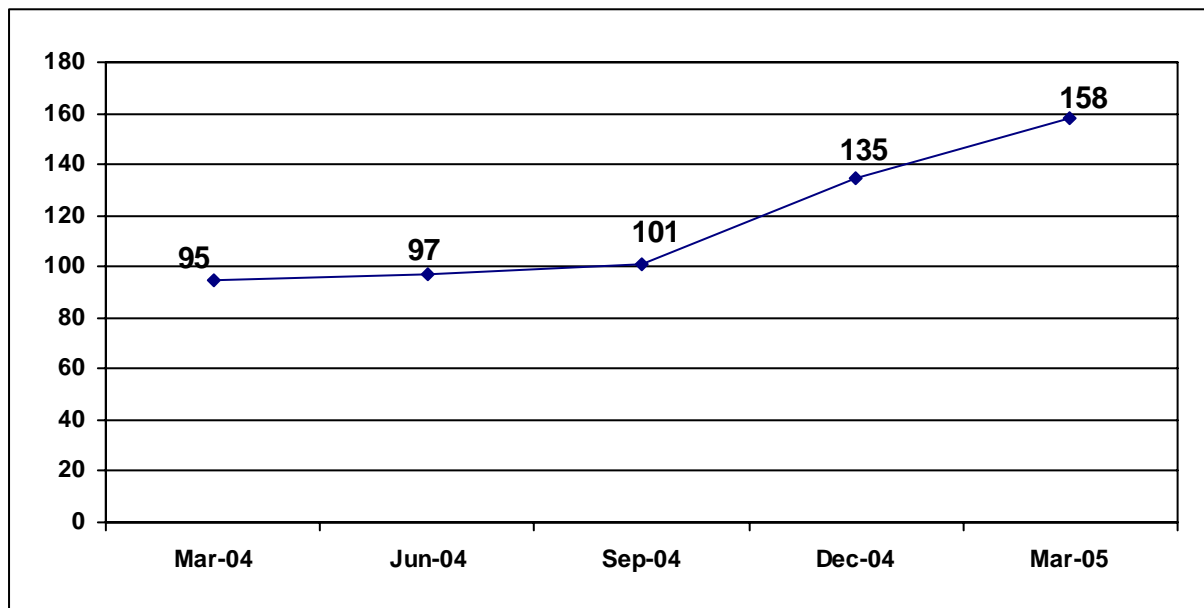


PUBLIC PAYPHONES

Number of Public payphones¹

Public payphones	mar-04	jun-04	sep-04	dec-04	mar-05
Market size	95 043	97 470	101 281	135 760	158 658
quarterly growth	3 529	2 427	3 811	34 479	22 898
Growth (%)	3,86%	2,55%	3,91%	34,04%	16,87%

Quarterly Evolution of Public payphones market size (in thousands)



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