



1987: The year in focus

1987 was a record year for **Telefónica**, which produced excellent results. The rise in growth rate over previous successful years was reflected both in demand for lines and in the increased usage per line of telephone and datacom services.

The positive trend in demand for services led to equally positive financial results for the company. Net income rose to 53,247 million pesetas, a 17.7 % increase over 1986. All in all, funds generated from operations grew by 23 %, from 218,416 million pesetas the previous year to 268,684 million in 1987. These healthy results were clearly reflected in the significant 15 % rise in earnings per share, which in fiscal 1987 stood at 64.16 pesetas per share, compared to 55.76 pesetas in 1986. 1987 represented a landmark in the history of Spain's telecommunications. On September 12th, the 15th million telephone was connected at the same time as the 10th million line went into operation.

Applications for new lines rose to 1,135,406, an increase of 18 % over 1986 demand. There was also a significant increase in telephone usage, with average usage per line rising by 8.2 %, compared to 5 % in 1986.

Our Public Telephone Service which represents 2.6 % of total plant, accounted for 12.7 % of revenue, 24 % up over the previous year. By the end of fiscal 1987, there were over 270,000 Public Telephones in operation, with 15,000 of them serving the rural community. The upward trend in demand was likewise recorded in the area of advanced communications services.

There were 10,587 new applications for connection to the Iberpac data transmission network, which represents a 75 % increase over 1986. Demand for the Ibercom Integrated Business Communications service also grew by 182 %, with 42,243 applications. In addition, there were major increases during the year in demand for other services, such as Automatic Mobile Telephony and Telefax.



In 1987 we achieved many of our goals. At the same time fresh challenges sprung up, which we are set to meet at Telefónica with firm determination.

Telefónica met this outstanding boost in demand with a record number of installations. 601,643 new lines were installed during 1987, that is 33.8 % more than the year before. For the first time in our history, almost half of these lines were digital, thus enabling us to offer customers a much broader range of top quality communication services.

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elefónica is continually striving to enhance the quality of public telephone equipment and diversify methods of payment. Card phones are becoming an increasingly wide-spread feature of the service.



Firm evidence of our achievements throughout the year can be seen in the figure of 26.1 lines per 100 inhabitants at year end, representing 10,236,408 lines and 15.4 million telephones in service.

These accomplishments, which were witnessed in all areas of the Company, would not have taken place without the major transformation in **Telefónica's** corporate culture and the extensive decentralisation measures, which greatly enhanced management efficiency. Other contributing factors were the substantial increases in productivity and the rigorous cost containment policy implemented by the Company.

During 1987 our progress was further encouraged by expanding **Telefónica's** presence globally. As well as signing agreements with various leading telecommunications companies abroad, we continued our revolving holding company policy, bringing new companies into the group.

One of the highlights of the year on the international front, was the listing of **Telefónica's** shares in the New York Stock Exchange. In addition, the agencies Standard & Poor's and Moody's awarded our Company the maximum ratings for **Telefónica's** European and U.S. commercial paper program.





Ready to meet the commercial challenge

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he recent introduction of the Telecommunications Bill (LOT), hails the start of a new competitive era, which Telefónica's management and workers are ready to meet. In the photograph are general managers German Ramajo, Enrique Used, Carlos Viada and Francisco Javier Monzón (left to right).

In 1987 the Spanish Parliament passed the new Telecommunications Bill (LOT) and hence announced the start of a new era for **Telefónica**.

Henceforward our task is both to meet the fresh challenges brought about by the new legislation and also to make the necessary preparations for the year 1992—a year of vital significance for Spain and Europe. This is a crucial time for **Telefónica** and we are facing it fully aware of the key role we play in Spain's economic arena. Our Company is wholly committed to supplying a wide array of top quality services to satisfy our customers demands.

With a vibrant economy and a healthy growth potential, Spain is in her prime. Following suit, **Telefónica** is ready to face the challenge set by both the new legislation and by the ever-increasing demand for telecommunications services.

We are moving away from a monopoly towards a free market, no longer supplying the subscriber but rather serving the customers and these changes will affect the company through and through. We are finely tuning our new market-focused corporate organisation which will enable us to satisfy the diverse needs of the various market segments.

Our ambitious capital expenditure program is an appropriate response both to the new commercial



challenges facing us and to the surge in the demand for lines, together with the rapidly growing use of the telephone and other telecommunications services.



Meeting demand

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he rising demand in the Spanish telecommunications market is being met by Telefónica with a major capital expenditure program, which will provide the country with an advanced telecommunications network. Fibre optics cables are a vital part of the new telecommunications infrastructure.

A rapidly expanding market such as Spain's demands a dual purpose major capital expenditure program, aimed at upgrading and expanding traditional telephone services as well as keeping up with the latest technologies.

During 1987, we stepped up investment in the telecommunications infrastructure and networks. Capital expenditure in fixed assets rose by 23 % over the previous year to 260,183 million pesetas, compared to a 9.5 % average annual growth during the 1982-85 period and 12.1 % in 1986.

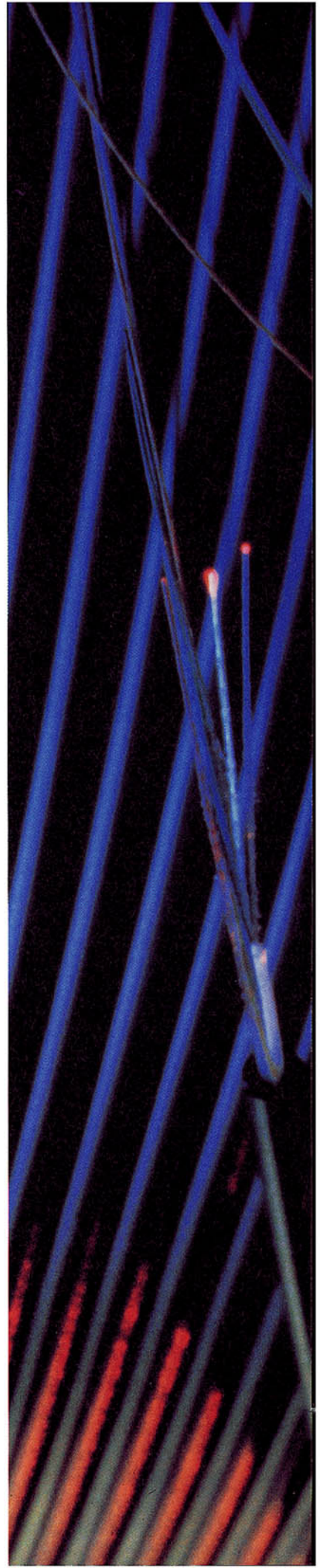
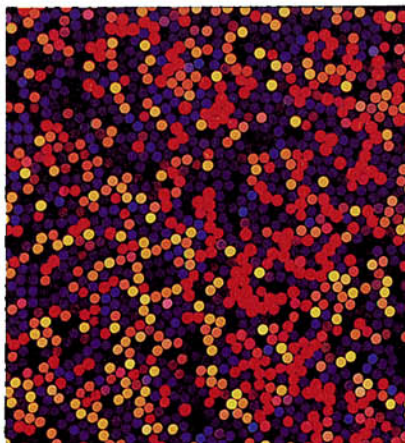
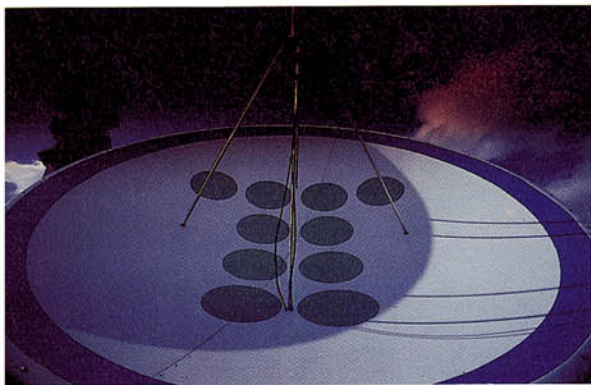
These expenditures went primarily towards meeting the increasing demand for new lines but also contributed to strengthening our infrastructure and enhancing the quality, convenience and versatility of **Telefónica's** products and services.

During the next four years, with our sights set on meeting the challenge of the year 1992, **Telefónica** will undertake an extensive investment program, designed to tackle four fundamental areas:

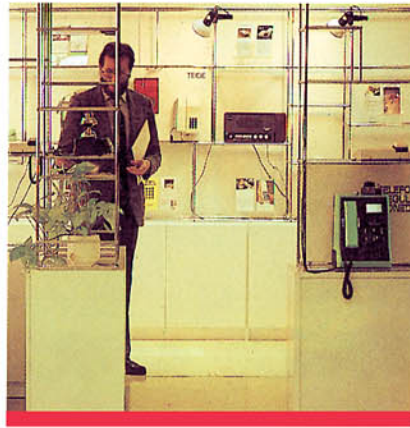
- Meet customer demand.
- Launch new telecommunications services.
- Enhance and upgrade the quality of the service.
- Modernize and digitize the network.

According to our capital expenditure program estimates, by 1992 telephone penetration will have doubled since 1982 to 86 lines per 100 households. There will also be 6.2 million local digital lines, that is 40 % local network digitization, compared to 43,000 lines in 1982; By the same year we plan to have laid 13,308 kms of fibre optics cable, a huge increase over the 1,504 kms existing in 1987. Finally, by 1992 our trunk network will have 1.6 million digital links representing 72 % of the total installed.

Our current program foresees that by 1992 we shall have 15 million lines in service and shall have passed the 20 million mark before the year 2000. This surge in network expansion will go hand in hand with an extensive changeover from analog to digital networks and together will bring about record levels in installations, with 10 million equivalent telephone lines to be installed in the period 1988-1992.







A new market in terminals

Competition is now the name of the game; market orientation is **Telefónica's** way to win.

The lengthy parliamentary debate, prior to the passing of the Telecommunications Bill, gave **Telefónica** ample opportunity to get ready for

the new competitive environment. On December 2nd, 1987, a new commercial strategy was unveiled for supplementary, complementary and extension terminal equipment, the main features of which are outlined below:

- 1.°—The main telephone will continue to be rented out to the subscriber.
- 2.°—Additional telephones, extensions and complementary equipment will be offered for purchase.
- 3.°—Subscribers already renting this equipment will have the option of purchasing them.
- 4.°—A Network Connection Point will be installed to separate the public network and the subscriber's premises internal network.

An intensive sales and advertising campaign is already underway to stimulate subscriber purchases of additional phones and complementary equipment. Quality is our key selling point. By supplying top quality products we aim to become the leaders in the telephone terminals market.

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elefónica's subscribers now have the chance to purchase certain telephone terminals equipment. This includes supplementary equipment which could previously only be rented.





Advanced telecommunications services

Iberpac

1987 was a decisive year in the life of our data communications product, the Iberpac network. Demand for the X-25 protocol rose by 75.2 % over the previous year with 10,587 applications for connection. Last year Iberpac X-25 was connected up to 36 public packet switching data networks. We plan to expand the Iberpac network from around 30,000 ports installed in 1987 to 300,000 by 1992. One of the latest features of the X-25 network is the SITO project which



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he Madrid Stock Exchange is just one of the many institutions and associations enjoying the benefits of the Ibercom Integrated Business Communications service. Likewise, in 1987 the Iberpac network had over 30,000 ports and by 1992 we hope to have increased this figure to 300,000.

facilitates interbank clearing operations.

Of the datacom services transmitted over the Iberpac X-25 network, 1987 witnessed a great leap forward in our videotex service, Ibertex. In addition, the X-28 service was finally launched on the market and by the end of the year held a network capacity of 2,150 terminals, spread over 32 provinces.

Electronic funds transfer

There are excellent growth prospects for our Dataphone Electronic Funds Transfer service which enjoyed a healthy boost in sales throughout the year, from 7,857 to 10,154 connections.

Ibercom - integrated business communications service

In 1987 we achieved our sales target for the Ibercom service, designed for the corporate customers market. The launching of the Ibercom VOICE + DATA service has made important inroads towards consolidating the integration of communications services. By the end of fiscal 1987, 20,924 lines had been installed and 62,195 contracted, which is clear evidence of the warm welcome the product has received in the market. Last year 55 corporate customers joined the Ibercom network and **Telefónica** remains wholeheartedly committed to further expansion of the service.

Plans are in the pipeline to connect the Ibercom network to Iberpac, which will bring us nearer to our goal of an Integrated Services Digital Network (ISDN).

Ibermic, high speed data transmission

In 1987 the first Ibermic infrastructures were installed. In the near future we aim to be providing a digital network which will give access to a host of high speed carrier and final services.

The Ibermic infrastructure will also include earth stations to carry satellite data communications with the rest of Europe (SMS) and with other continents (IBS). These single user or multiuser earth stations will be housed either in the Teleports or, where necessary, in the customer's own building.

Satellite communications

By year end we had three Satellite Communications Complexes in operation supplying telegraph, telephone, television and data transmission services.

To meet the demands of 1992, **Telefónica** plans to increase the number of earth stations and build three new Satellite Communications Complexes, setting in motion a new communications structure for business and mobile services.

Towards an Integrated Services Digital Network (ISDN)

In 1987 **Telefónica** began extensive testing of the new Integrated Services Digital Network, thus setting in motion an ambitious plan to incorporate the system into the Spanish telecommunications network. We aim to have the first experimental ISDN lines on the road by the beginning of 1989.

Furthermore, in 1988 we shall be piloting a new supplementary telephone services project, which by 1990 will be offering the following services:

- Integrated voice-data communications via the telephone line.
- Call waiting.
- Pre-programmed dialling.
- Billing information.
- Call re-routing.

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Telefónica's policy of both modernising the earth stations network and building new installations will enable us to offer our customers a wide array of advanced satellite communications services. In 1987, on behalf of the SER radio broadcasting company, we installed the first permanent, nationwide hi-fi satellite link.





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Mobile communications

Our Automatic Mobile Telephony service (TMA) made significant advances throughout the year. The TMA network was extended to 11 provinces with a 10,500 user capacity. In 1988 our target is to provide the service to 31 provinces with a network capacity of 31,000 users.

To ensure that future demand continues to be met, **Telefónica** signed an agreement with most of the European countries to install a new cellular mobile system to cover the whole continent. This will enable a vehicle to keep in touch via the telephone while travelling throughout Europe. The coming years will also see substantial developments in our radiopaging and maritime satellite services.

Intelligent network services

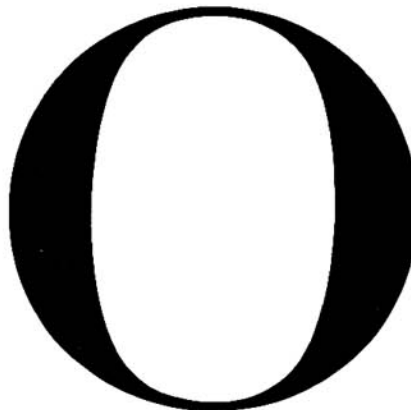
We have recently begun marketing the automatic reverse charge 900 service (Freephone), which will

shortly be providing an international service. The 900 line is specially tailored for companies to facilitate calls from potential customers.

Those advanced services which cannot be supplied by **Telefónica's** network, will be transmitted via a superimposed intelligent system capable of dynamic management of real-time communications.

Below are some of the services which will be on offer by the year 1990:

- Advanced multiaddress credit calling.
- Advanced automatic reverse charge calling.
- Personal telephony.
- Digital centrex.
- Supplementary centralised services.



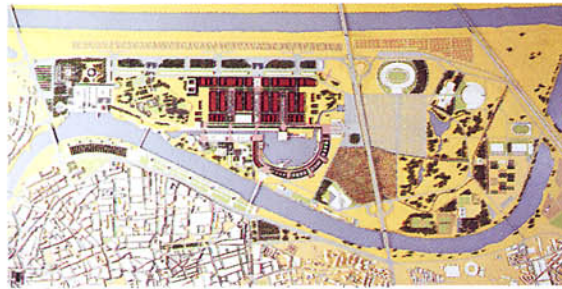
One of the aims of our Automatic Mobile Telephone service is to enable vehicles on the move to keep in touch with any part of Spain. Our Automatic reverse charge 900 Service recently hit the market. This service provides companies with a first-class tool to facilitate calls from potential customers.

A key role in 1992

Telefónica is devoting special attention to the important events of 1992, a year of key significance for Spain with the Olympic Games in Barcelona coinciding with the World Expo in Seville and the Fifth Centenary of the Discovery of America. In the same year Spain faces the challenge of full membership in the newly European Single Market.

Preparations for these events are already in progress, with studies currently underway to assess the forthcoming demands of the market.

The following are some of the major steps we will be taking:



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he year 1992 is an important milestone for all Spain. **Telefónica** will be making a vital contribution to the success of the Olympic Games in Barcelona, and the World EXPO in Seville. Thanks to our telecommunications network, millions of people from all around the globe will have the chance to follow these two major events.



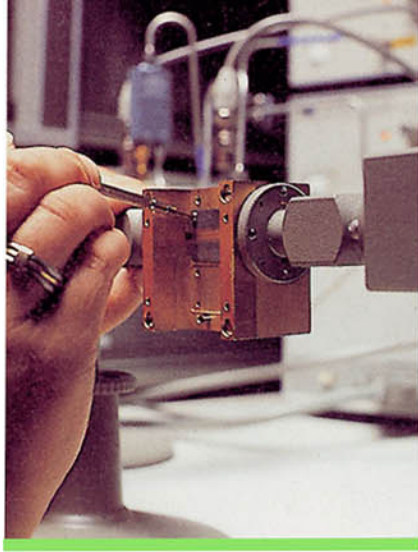
—The first commercial ISDN lines will be installed in 1990.

—The first Broadband infrastructure as part of the RACE project, will be in service in 1992.

—Tesy B, the new generation of our packet switching system, will be incorporated into the Iberpac network by the early 90's.

On a final note, by 1992 there will be three new satellite communications complexes and two teleports together with a major videocommunications carrier system.





The main objectives of **Telefónica** I+D are the following:

- To define new network services, architectures and applications, including telecommunications systems engineering solutions.
- To develop products and systems of key strategic value.
- To provide **Telefónica** with the latest hardware and software development technologies.

During 1987 there was further collaboration with EEC R&D projects, particularly the COST and RACE programs, with six new projects, and the ESPRIT program. We also continued our involvement in European Space Agency programs.

Optimizing network management and maintenance is still the chief objective of R&D activities. During the year, work continued on development of the Operations and Maintenance Structure (EOC), with a first prototype of the Operating and Maintenance System (SOC) already completed.

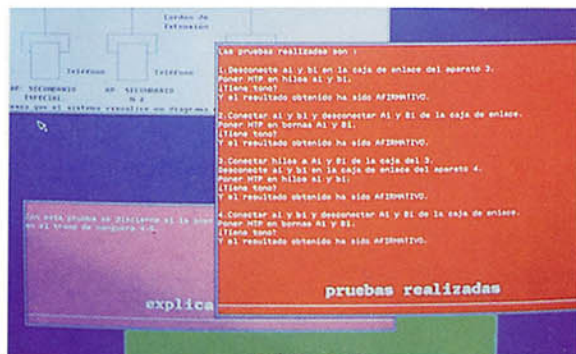
Development continued of a new packet switching system known as Tesys B. This will take over from Tesys A and Tesys AX as leaders in this field.

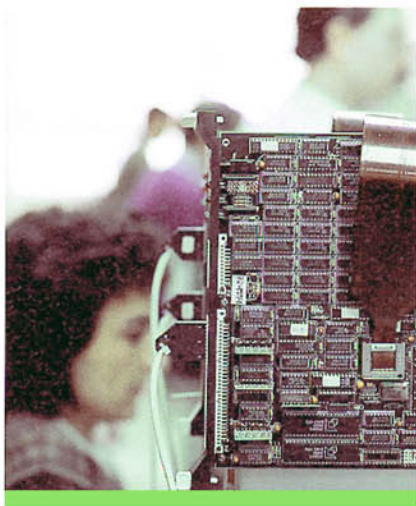
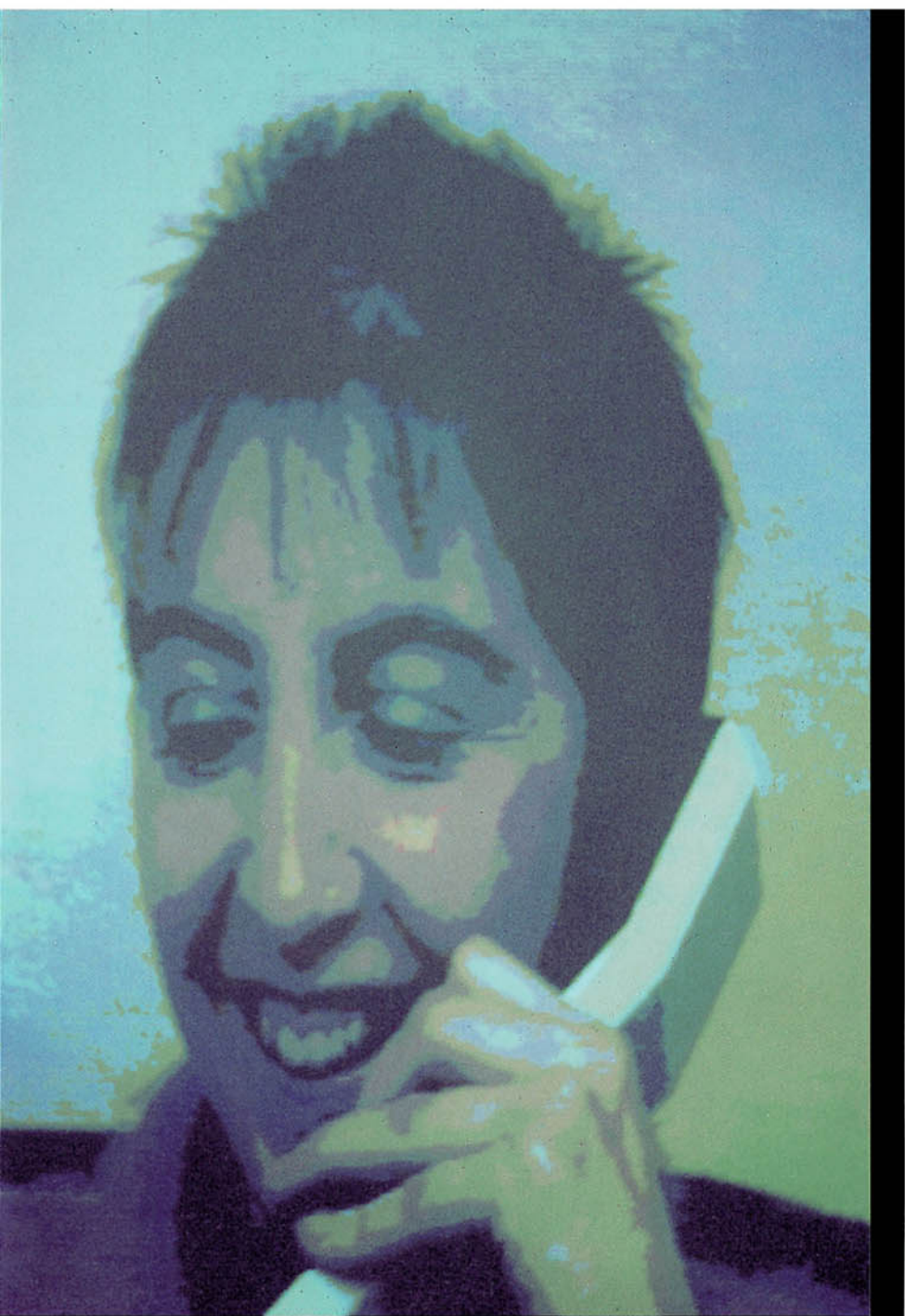
The results of research in terminals and adaptors for the ISDN and of the millimetric waveband radiolink, have been transferred to the industry. Work is also in progress on the first broadband ISDN, as part of the SABADO project (Broadband Optical Distribution User System). The aim of the project is to provide solutions to future user optical loops and to switching and local distribution.



Research and innovation

A new subsidiary company —**Telefónica** INVESTIGACION Y DESARROLLO S. A.— has taken over responsibility for Research and Development. Its aim is to encourage innovation in services and networks, applying high-quality, advanced technologies and thus ensure **Telefónica**'s strong position in the increasingly competitive marketplace.





Telefónica Investigación y Desarrollo, our Research and Development subsidiary, is striving to supply new, high-tech services and

networks of the finest quality. Current developments include a 50 GHz millimetric waveband communications system (top left), integrated circuits design work stations (left) and the integration of software of the Operations and Maintenance Structure (E.O.C.) (top right).

Management decentralisation

Enhancement of **Telefónica's** management operations is vital if we are to succeed in the new competitive environment. Further decentralisation measures are an essential part of this enhancement process. The setting up of Provincial Units, which began in autumn 1986, was finally completed. From now on each province is responsible for meeting customers' needs and responding with greater efficiency to market demands.

The provincial budgeting process, together with the creation of Provincial Controller Reports, have enabled us to keep careful track of provincial management performance. Each province is regarded as a fully-fledged management body strengthening **Telefónica's** capacity to meet the demands of the new competitive environment.

In 1988 we will reach our goal of full decentralisation. Management at local level will be the responsibility of the market-focused provincial units, directly answerable to the Company's Executive Committee.

Parallel to this market-oriented strategy and in order to optimize management performance, we aim to further increase efficiency by fully computerising provincial management operations.



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elefónica's decentralisation program involves the setting up of provincial management units. We are continuing to work in close collaboration with various local authorities to expand the telephone service throughout the rural communities.





an efficient tool in expanding basic telephony to remote, sparsely populated regions. This policy has enabled us to set up 220 new local zones in 1987, 13 % more than the previous year. We also

installed 711 public service telephones, 18 % more than in 1986. Public service was expanded to a further 118 hamlets of under 50 inhabitants and telephone service was extended to 10,786 new subscribers outside local zones.

The healthy progress made in this field is largely due to the 16 cooperation agreements signed with Regional and Provincial Authorities and to the 386 smaller contracts drawn up with city councils and private bodies. Further steps were taken to convert outlying areas to an automatic service. By 1987 year end there were no more than 16,000 manually operated lines still in service and these will be replaced during 1988 by automatic equipment. Hence the completion of full network automatization will take place at the same time as the ISDN enters the arena.

Rural communications

Our ongoing commitment to meeting the telecommunications needs of the rural community stands firm. The Royal Decree 2248/84, which defines the participation of public and private bodies, has proved to be

Optimising human resources

A careful strategy of promotion, training and recycling of human resources is essential if we are to keep up with the ever-changing technological developments of the industry.

By 1987 year-end **Telefónica** had 63,311 employees, with graduates and technically qualified staff accounting for 16 % of the workforce.



Keeping up with the future means constantly upgrading our human resources pool. Telefónica's personnel policy is therefore a combination of training, promotion and highly qualified new recruitment.

In 1987, after negotiation, management and workers reached an agreement on pay levels for the next two years. In the first financial year salaries went up 5.48 % plus two productivity bonuses totalling 1.1 %, while a 3.9 % pay rise was agreed upon for 1988.

Our staffing policy is a combination of in-service training and recruitment of highly qualified personnel. Last year 1,091 graduates joined the company, representing an increase of 16 %.

The company has continued to expand its ambitious training program, which involves constant replacement of certain posts. Last year over 3,800 employees took part in initial training and promotion courses and 63,109 in refresher courses. In all, our training programs accounted for 1.65 % of total personnel costs.

In 1987 the Internal Communication Plan went into operation. The Plan is an important contributing factor towards our becoming a streamlined, market-focused, competitive enterprise.

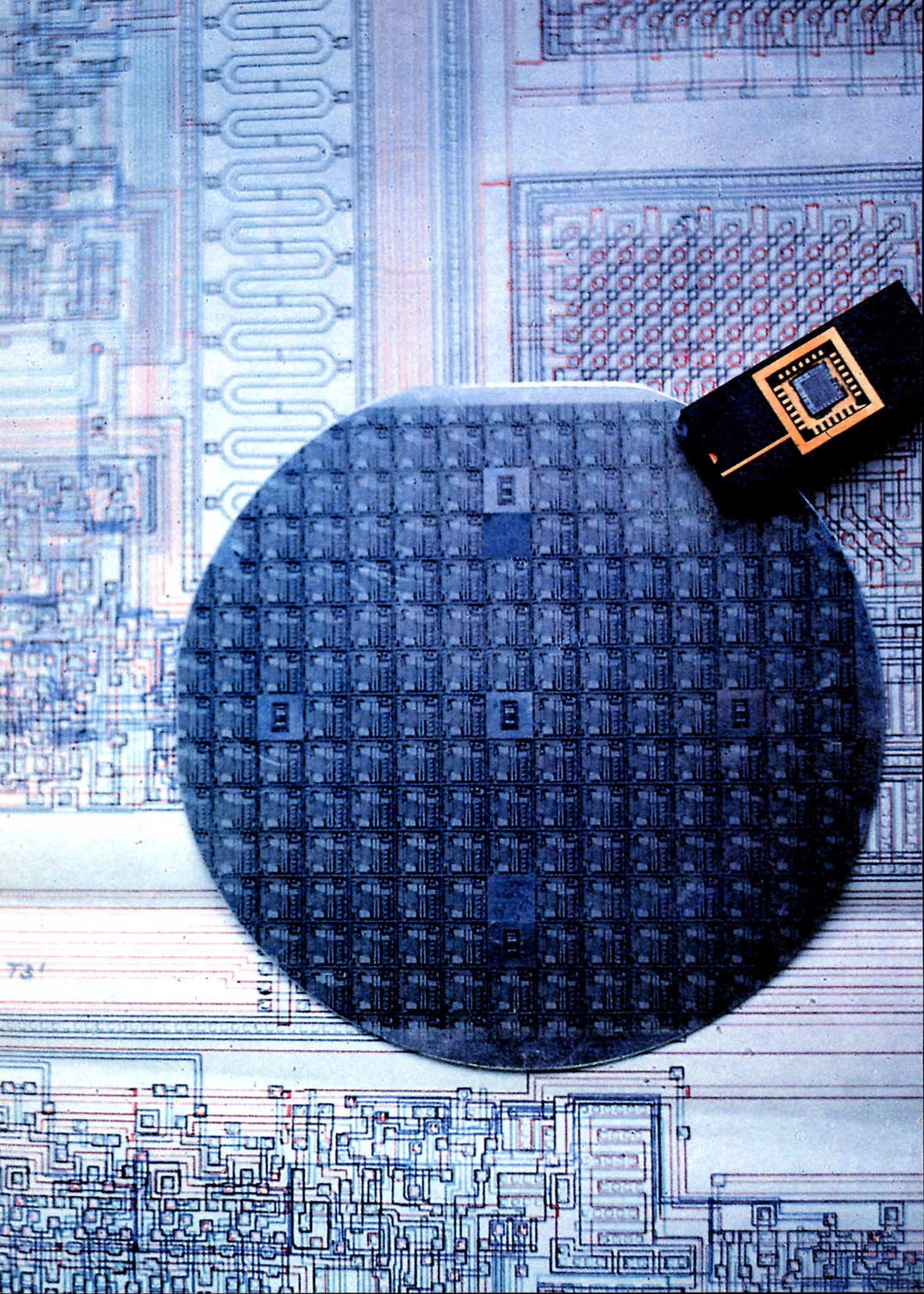
Our efforts to create a highly-trained, specialised workforce have borne fruit. Productivity increased by 7 % and major improvements in operating efficiency have enabled us to deal promptly with the rapid growth in the company's activities.

The number of lines in service per employee rose by 24.3 % during the 1982-87 period. At the same time the number of lines installed per employee went from 149.3 to 175.1 and revenue per employee grew from 4.21 to 8.54 million pesetas.

A factor which contributes to profitability growth is the downward trend in the ratio of personnel costs to revenue from services. This has fallen by 3.6 %, dropping from 0.48 in 1981 to 0.371 in 1987. Finally, absentee rates resembled those of the previous year.







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Global perspectives

1987 saw a steady expansion in **Telefónica's** presence globally. This was due in part to our strong position as one of the nation's leading companies but also to the overall growth in Spain's economy and to our membership of the European Economic Community. International operations took place on several fronts.

The company's shares have spread further afield and are currently present in the major world stock markets. In 1987 we secured our share base by placing 54 million shares on the New York Stock Exchange.

Our activities in South America, USA, Europe, Africa and Asia bear witness to our global commitment. In an increasingly inter-dependent world, keeping up with the constant evolution of the global telecommunications market is central to our strategy. One way to ensure this is to participate in joint ventures with other major telecommunications companies.

In line with this policy, at the end of the year, the joint venture between **Telefónica** and AT & T, named AT&T Microelectrónica de España, started operations. The company, situated in the Tres Cantos suburb of Madrid, designs and manufactures 1.25 micron high-tech, custom integrated circuits and brings to Spain a wealth of technological expertise. In 1991, annual revenue will reach the figure of 20,000 million pesetas.

Throughout the year **Telefónica** was involved in promoting a new joint venture, APT-ESPAÑA, consisting of Amper and the European telecommunications consortium APT. The activities of this concern will cover the research, design, manufacture and installation of switching equipment and intelligent networks, together with digital transmission equipment and systems for the Integrated Services Digital Network.

Telefónica also signed an agreement in 1987 with the American company Electronic Data Systems (EDS) to set up a joint enterprise called TDS. This firm will operate worldwide, marketing and installing data transmission networks based on **Telefónica's** own Tesys packet switching system. The Tesys system is either already functioning or is on order throughout Spain, Canada, Argentina, Greece, Tunisia and Thailand. Over the next five years, we will strive to meet our sales target of 18,000 million pesetas spread across the five continents.

Having competed with the major companies in the sector, **Telefónica** Internacional won the contract with the Greek Telecommunications Administration to provide and install Hellaspac, the public packet switching data transmission network.

On January 18th, the first Spanish-Soviet enterprise was set up. This was also the first telecommunications joint venture ever undertaken in the USSR. The Spanish partners, **Telefónica** and Amper, hold 49 % of the share capital.

The factory will begin production of 500,000 Spanish designed "Tarsis" telephones and will eventually increase manufacturing capacity to one million units.



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elefónica's activities on the international front are constantly spreading. A recent example is the manufacture of microchips by our joint venture ATT Microelectrónica de España.

A revolving holding company

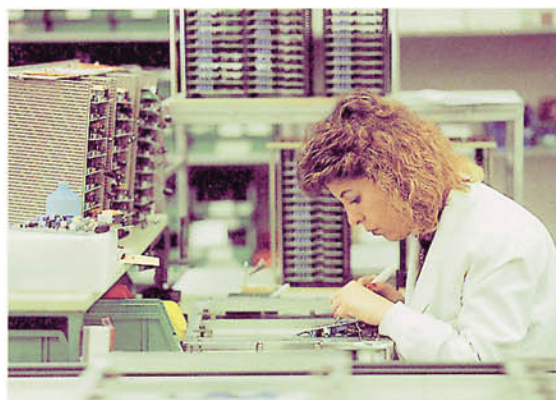
Telefónica's revolving holding policy remains central to its group strategy. In 1987 further measures were taken to reorganise, rationalise and simplify our participation in subsidiary and affiliated concerns, while still maintaining an energetic and flexible holding policy. Outlined below are some of the main objectives of our holding group program:

- Bring together under one umbrella all those companies involved in similar types of activities, in order to optimize exploitation of resources, technologies, markets and distribution channels.
- Sell off certain companies in order to make available resources with which to finance new business ventures.
- Draw up a strategy for future activities and new projects in order to strengthen **Telefónica's**

position as a keen competitor and technological leader in the world marketplace.

The following are a summary of the recent operations carried out in this field:

- Manufacturing is now the chief responsibility of Amper.



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elefónica's revolving holding policy involves selling off our stake in some companies in order to take on new ventures. This strategy helps to sharpen our competitive edge in the market and provides a constant source of new business opportunities. In the photograph, SINTEL technicians discuss a project for the new joint venture "TDS".

This company underwent a complete overhaul the previous year and today heads a widespread group of concerns involved both in electronics and terminal equipment and in the public telecommunications sector, following agreements with APT via Marconi.

—Sintel is the core company of both installations and systems engineering group, following the purchase of **Telefónica** Systemas. Particularly significant is the agreement reached with Electronic Data Systems (EDS) to market data networks.

—Computer and software activities centre around ENTEL, who are also preparing to compete in the Value Added Services market.

—Research and Development has now been handed over to the recently formed **Telefónica** Investigación y Desarrollo (TIDSA).

—Finally, there is the Services group which operates in areas closely related to marketing and financing. This group includes commercial concerns such as TELYCO (Terminal Equipment Sales), CETESA (Yellow Pages) and CABITEL (Telephone Booths). Financial enterprises include the newly formed **Telefónica** North America and notably two new subsidiary companies: Life insurance and pensions ANTARES, S. A. and CASIOPEA RE, S. A. The former is concerned with personal risk while the latter is a Risk Management tool, whose role is to protect risks which were hitherto self-insured by **Telefónica**.

Other recent enterprises of interest include the formation of COMET, concerned with venture capital projects in high profit, high technology business undertakings. And finally SEVA, formed in association with IBM and other Spanish firms, whose purpose is to evaluate the market potential of Value Added Services.



TELEFONICA 83-87: SELECTED OPERATING DATA

TELEPHONE SERVICE

Service parameters	31-12-87	31-12-86	31-12-85	31-12-84	31-12-83
Local lines in Service (thousands)	10,236.4	9,780.0	9,304.5	8,881.7	8,453.7
Degree of automation (%)	99.9	99.7	99.5	99.2	98.9
Automatic trunk circuits (thousands)	257.0	244.3	228.8	217.1	205.8
International service automation (%)	88.5	86	84	80	79
Plant					
Telephones (thousands)	15,476	14,782.2	14,258.9	13,825.5	13,345.3
Local lines installed (thousands)	11,085	10,645	10,313	9,990	9,630
Automatic	11,069	10,616	10,263	9,912	9,526
(% of those installed)	(99.9)	(99.7)	(99.5)	(99.2)	(98.9)
Digital	635	345	184	127	78
(% of automatic)	(5.7)	(3.3)	(1.8)	(1.3)	(0.8)
Conventional and semi-electronic	10,434	10,271	10,079	9,785	9,448
(% of automatic)	(94.3)	(96.7)	(98.2)	(98.7)	(99.2)
Manual	16	29	50	78	105
(% of those installed)	(0.1)	(0.3)	(0.5)	(0.8)	(1.1)

BASIC INFRASTRUCTURE

	31-12-87	31-12-86	31-12-85	31-12-84	31-12-83
Coaxial cable (Km.)	10,454	10,379	10,112	9,933	9,514.2
Fibre-optics cable (Km.)	1,159	227	93	—	—
Trunk pair cable (Km.)	49,040	46,095	44,979	44,086	43,085
Subscriber networks (pair Km., thousands)	38,295	35,465	33,626	32,067	30,450

TRENDS IN USAGE PER LINE AND DEMAND FOR NEW LINES

	31-12-87	31-12-86	31-12-85	31-12-84	31-12-83
AVERAGE GROWTH IN USAGE PER LINE	8.2	5.0	3.4	1.8	2.5
DEMAND FOR NEW LINES	1,135,406	963,037	756,164	773,812	783,867
(% Annual growth rate)	17.9	27.4	(2.3)	(1.3)	32.6

TRENDS IN DATA TRANSMISSION SERVICES

	31-12-87	31-12-86	31-12-85	31-12-84	31-12-83
DATA TRANSMISSION CIRCUITS	32,715	31,152	28,950	26,651	24,001
Year-on-year growth (%)	5.0	7.6	8.6	11.0	11.2
TELEPHONE NETWORK CONNECTIONS FOR DATA TRANSMISSION	77,090	58,175	45,080	24,792	19,451
Year-on-year growth (%)	32.5	29.0	81.8	27.4	28.4
IBERPAC NETWORK CONNECTIONS	34,059	27,632	23,810	20,056	14,302
Year-on-year growth (%)	23.3	16.0	18.7	40.2	14.0