



## ***International activity***

---

1992 was a period of consolidation and growth for the international activity of the Telefónica Group. In December the acquisition of a 79% holding in Telefónica Long Distance of Puerto Rico (TLD) was completed. For Telefónica this represents a gateway into the North American telecommunications market.

With regards to mobile services, in March our 15% holding in Contactel was formalized and in November this company began offering the radiopaging service in Portugal. Also in March we reached an agreement for a 60% holding in Telefónica Roumania which is licensed to provide cellular mobile telephony in this country.

To support this expansion in our activity, we counted on the excellent performance during the year of the operators in which



Madrid-Barajas Airport Control Tower  
(AENA)

Telefónica already has significant participations in: Compañía de Teléfonos de Chile (CTC), Entel Chile, Telefónica de Argentina (TASA) and Compañía Anónima de Teléfonos de Venezuela (CANTV). Overall revenue from international investments rose by 58% over the previous year to 11,970 million pesetas.

During the year Telefónica Internacional holdings carried out a major investment drive, which was reflected in the connecting of 668,000 new lines. As a result, we are involved in the management of over five million lines in service and have significantly strengthened our position at an international level.

Subscribers to the cellular mobile service in the holding companies of the Chilean and Venezuelan operators exceeded 58,000 by the end of 1992. In 1993, both, the Argentinian (Movistar) and the



Telefónica exports its expertise to America and Europe. In the photo, an RTVE television studio connected by fibre optics to a digital line

Rumanian celular operators (Telefónica Romania) are due to begin the provision of this service.

Successful satisfaction of demand by the holding companies was accompanied by a notable improvement in financial performance. CTC profits rose to \$184.4 million (25.4% real growth) and ENTEL's net income stood at \$91.7 million (13.7% real growth). Equally significant were TASA's profits, which rose to \$221 million (80.7% growth) and CANTV's performance, whose forecast income

### ***Telefónica International Investments***



○ Basic Telephony      △ Data      ◇ Mobile      □ Yellow Pages

stands at \$245 million, which compares favourably with the 8.4 obtained in 1991.

The Telefónica Group required considerable human resources management to achieve this international expansion. We now have 107 Telefónica employees working in the holding companies.

During 1992 Telefónica continued to play an active role in international telecommunications organizations. As well as our

habitual presence on the UIT committees and groups (principally CCITT and CCIR) and the ETSI, where we chair several committees, the company also belongs to ETNO (Association of European Telecommunications Network Operators), where we hold a position on the Management Board and chair several working parties.

Telefónica and her affiliates continued to play a role in a large number of EURESCOM projects, in several EEC Marco Program projects (particularly RACE and ESPRIT) and in other European projects such as CTC, COST and EUREKA.

Another body in which we have an especially high profile is AHCJET (Latin American Association of Research Centres and Telecommunication Companies). On the occasion of the 1992 special events, the Association held its major meetings in Spain. After eleven years AHCJET reached maturity in the accomplishment of its founding aim: the cooperation between its members for the development of the Latin American Community in the telecommunications sector.

We should also mention Telefónica's participation in the EIP project (European Interconnectivity Platform), promoted by the EEC Commission. This serves as a base for the support of communication processes between the different European administrations. We were also involved in the launch of the ISABEL project, as part of the RACE program, which will be developed by Telecom Portugal and Telefónica and aims to connect the two broad band islands of Aveiro and Madrid.

In the process of increasing our international profile, Telefónica has continued to pursue the policy of previous years, strengthening our relations with other public network operators.