



## **The Telefónica Group**

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The companies that make up the Telefónica Group were not untouched by the general slowdown of the economy, which affected the whole of the Spanish economy during 1992. Consequently, growth rates, both in sales and profits, saw a notable drop.

However, the main efforts of the Group were focused on continuing the upgrading of management performance and the organization of the affiliate companies in the different businesses they operate in the competitive marketplace. In this respect, we should mention the creation of the Mensatel Service Management Company (CGS Mensatel), which was granted one of the three licenses given by the Authorities for the operation of the Radiopaging Service and which will compete in this liberalized sector of the telecommunications market.



The Telefónica Group companies use an infrastructure which is constantly being upgraded. Armuña de Tajuña Satellite Communications Centre Antenna



Telefónica Head Office Tower in Madrid

In September 1992 we reduced our holding in Ectel, a company which carries out television viewing surveys, selling 60% of our holding to the French group Sofres. Telefónica now holds 40% of the company's share capital.

As regards Telefónica's holding companies, activity during 1992 was also affected by the economy's slowdown. In line with the strategy of reducing Telefónica's shareholdings in the supply companies, the most significant operations towards this end were as follows:

- Merger of Alcatel Standard S.A. with Telettra España S.A. for which a capital increase was agreed resulting in a reduction in Telefónica's shareholding to 13.24% of the merged company.



Radio communications act as a support for a wide range of services

- Reduction in Telefónica's stake in Eritel to 36.55% as a result of the capital increase agreed for the purchase by this company of Central Informática S.A.

We also acquired a 20% stake in Efecom. This company offers financial data transmission information services in real time to financial intermediary companies.

On a final note, we should highlight the launching of the first Hispasat satellite and the completion of the Barcelona Telecommunications Complex (Torre Collserola S.A.), which entered into service on June 1 to meet the requirements of the Olympic Games.