

INTERNATIONAL
BUSINESS

That Telefónica Internacional's activity in foreign markets was reinforced during 1994 could be seen by the fact that, at year-end, the holding companies had consolidated their business, new markets such as those of Peru and Columbia were being opened up, and new business ventures, particularly multimedia and cable TV, were launched.

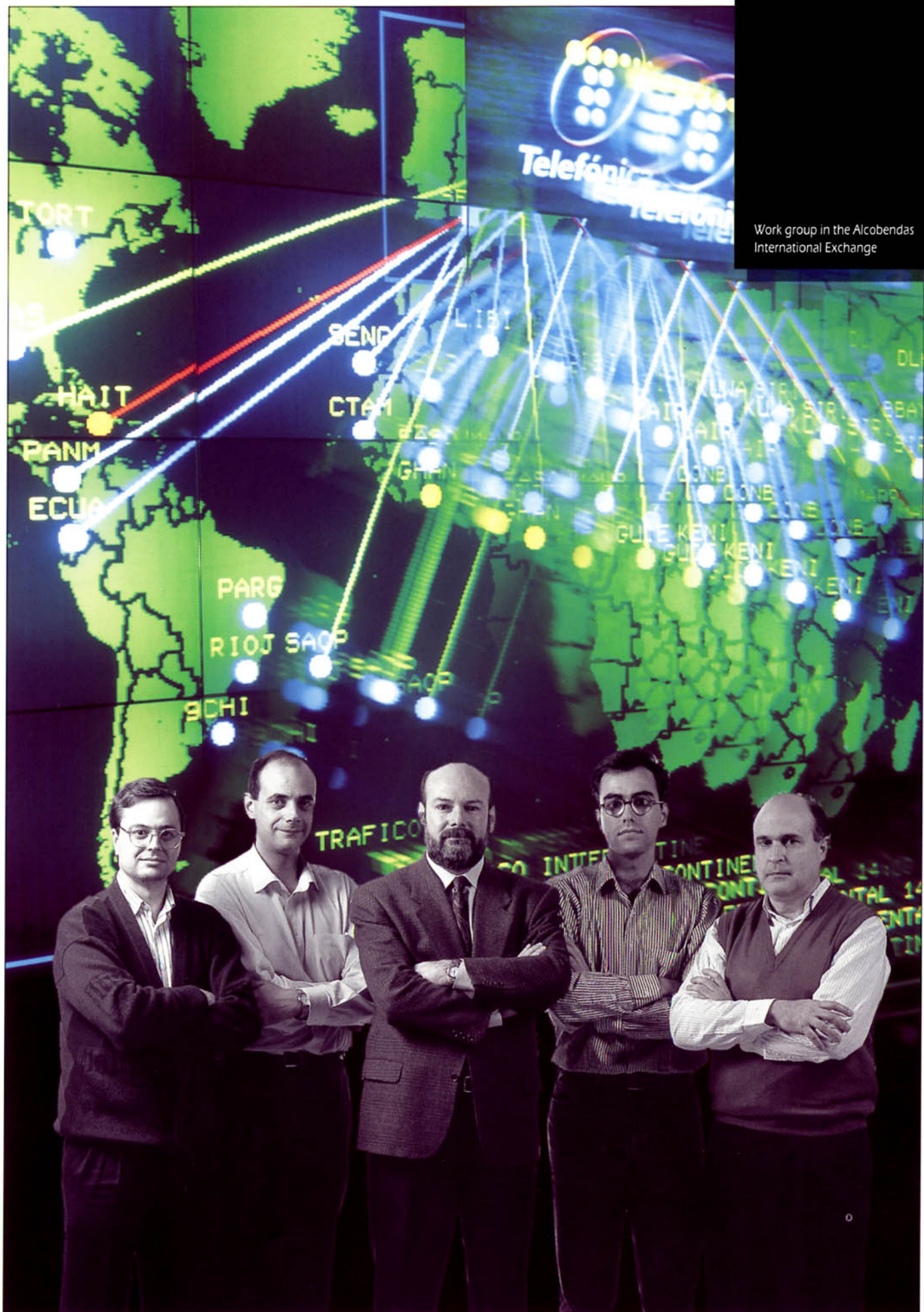
At the end of 1994, the holding companies in carrying out their programs had more than achieved the aims they had set themselves in terms of service expansion and quality, with over a million telephone lines installed during the year.

At year-end Telefónica Internacional's holding companies managed over **7.3** million lines in service, representing a **58%** growth since making the investment. Of this total, **300,000** were cellular mobile telephony clients and **50,000** cable TV.

As for the opening up of new markets, the main area of interest continued to be the Latin American sector. In February 1994 Telefónica Internacional bid successfully for the contract arising out of the privatization of the Peruvian operators CPT and Entel-Perú, thus moving into one of the markets with the greatest growth potential in the region. Since then the installation program has expanded considerably, with **180,168** lines installed at year-end, **45%** more than the figure agreed in the contract. Telefónica Internacional also moved into the Colombian market as part of the Cocolco consortium, which was awarded a license for operating cellular mobile telephony in the fastest growing region of Colombia, the coffee-producing area which includes the cities of Cali and Medellín. In the following months, Cocolco reached nearly **20,000** clients, with a market share of **65%**.



A telephone booth in the centre of Buenos Aires.



Work group in the Alcobendas International Exchange

As regards the consolidation of markets in which Telefónica Internacional was already active, the Chilean company CTC's move into the domestic and international long distance market through its affiliate CTC Mundo should be noted. Also significant was CTC's acquisition of 80% of Intercom, a Chilean cable television operator which had almost **50,000** clients at year-end.

In August 1994, the holding in Telefónica Argentina was increased to **22%** through the exchange of 20% of Entel-Chile for a 4.33% share in COINTEL. In the Puerto Rican market, the Federal Communications Commission (FCC) authorized TLD to open direct routes with the Ba-

hamas and Holland and to participate in the Americas I and Columbus II underwater cable projects.

Telefónica Internacional's presence in the North American market was strengthened by the capital increase carried out by Infonet, the holding increasing to **7.74%**.

Regarding European investments, Telefónica Romania expanded its cellular market to new areas such as Constanza and Brasov. In Portugal, Contactel doubled its 1993 total of radiopaging clients.

