PUBLIC TELEPHONY

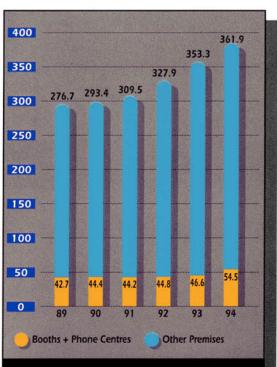
his service continued to grow in terms of plant and the facilities offered, especially those which allow electronic means of payment.

This expansion of plant in terms of public telephone booths meant that by year-end 1994 there were 53,147 telephones available, which when added to the 1,315 in telephone centres, brought the number to 54,462, 16.9% up on the previous year. Modernization of the booths also continued with the installation of Modular Telephones, the number of phones rising to 44,490 as opposed to 32,297 at the end of 1993.

The same energy went into the installation of payphones adapted for electronic payment, with 13,005 units being reached during the year.

As for Telefónica prepaid phone cards for use in Modular Telephones, more than **6.7** million units were sold in 1994, more than doubling the previous year's sales.

In 1994 Telefónica Telecomunicaciones Públicas, S.A. was formed, a subsidiary created with the aim of bringing together all the activities related with the operation of public telephony services (booths, payphones and telephone centres), phone cards and advertising in booths and on cards.



Public Service Telephone Lines (Thousands)

