

# Data Transmission

*After its formation in 1999 as a Global Business Line, Telefónica DataCorp has become one of world's major companies specializing in data transmission.*

The most important fact relevant to Telefónica Data (since the beginning of 2000, Telefónica DataCorp), is the creation operational launch of Telefónica's data business as a global and independent Line of Activity.

In this first year of its group activity on a global scale, cumulative revenues of the Telefónica Data Group amounted to 95.628 billion pesetas, with EBITDA of 19.304 billion pesetas (20% of revenues), and income before interests and taxes of 7.895 billion pesetas.

During 1999, its main source of business was its Spanish affiliate (Telefónica Data España), although an operational base for a Multinational Company Group was established during the year the launch of subsidiaries outside Spain. Telefónica Data Colombia

was the result of merging Rey Moreno, S.A. and Telegan, S.A. Legal grounds were also laid down and progress was made, to a varying extent, towards the launch of affiliates in other countries where Telefónica had either a small presence or none at all (Venezuela, Uruguay, Paraguay, Canada, the Caribbean, Mexico, Morocco and the United States).

Through the agreement reached with Telefónica Internacional in May, Telefónica Data took part in managing the corporate business activity of Latin American affiliates of Telefónica Internacional in Brazil (Sao Paulo), Chile, Argentina, Peru and Central America. Revenues from this activity during the year in these countries amounted to 643 million dollars, of which 198 million correspond to revenue from Data Services. As a result of this collaboration, the most significant event was the launch of IP network-based services in Sao Paulo, at both the commercial and operational levels. The grounds for following-up and analysing the value of Telefónica's Corporate Business Activity worldwide were also laid down.

In this same line, collaboration was also carried out in 1999 with Telefónica InterContinental with a view to launch its operations in Austria (European Telecom) and Italy (ACEA-

*The Infonegocio Service registered a spectacular sales growth, from 1,662 access packages at the beginning of the year, to 43,584 in December (cumulative +2,522%)*



Telefónica Data has prepared the ground for a Global Multiservice Network to cover the data business in all of the countries where Telefónica operates.

Telefónica). Telefónica Data prepared the ground for the operating launch of points of presence for its Global Network in London, Paris, Frankfurt and Milan.

As part of the results of Telefónica Data's activity in Latin America, the infrastructure for a Global Multiservice Network infrastructure has been put in place, to provide coverage in all of the countries where Telefónica has Data Business interests. To do this it will take on the infrastructure and management responsibilities for what was formerly known as the Pan-American Network (in its embryonic stage) and will collaborate in the engineering and operational functions in all of the countries involved, for the creation and coordinated evolution of their national data networks, as well as for their interconnection, by means of Telefónica Data's Global Multiservice Network.

Likewise, the company entered into strategic alliances with Hewlett-Packard and SAP for the development of services; commercial alliances with Microsoft and IBM for service distribution; and strategic alliances for provision of basic technology with Lucent Technologies, Cisco and Nortel.

An important organizational aspect of the business was the completion in July of the merger of the Spanish operating company,

Telefónica Transmisión de Datos, S.A., with its subsidiaries, Telefónica Servicios Avanzados de Información, S.A. and Telefónica Servicios VSAT, S.A. (in 1998, TTD Group), to create Telefónica Data España, S.A. (TDE). Telefónica, S.A. contributed 100% of this company's capital, as a capital increase to Telefónica Data, S.A., thereby establishing the Telefónica Data Group.

During this past year, Telefónica Data España obtained an A-Type license for the provision of telephony services without ownership of infrastructure, and launched services with broadband ADSL access. Switched connections to the IP network grew by 60% during 1999, reaching 50,580 units.

The Infonegocio Service, a vertical portal for Telefónica Data España companies, registered a spectacular increase in sales, from 1,662 access packages at the beginning of the year, to 6,155 in June (+270%) and to 43,584 in December (cumulative +2,522%).



*Telefónica*

*La  
cordillera nos  
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nos une.*





