

Telefonica

Quarterly Results
Telefónica del Perú S.A.A. and Subsidiaries

October - December 2007

Significant Events

A summary containing the most significant events since October 2007 is presented below:

1. On October 26th, the Board of Directors:
 - Formulated the individual and consolidated financial statements related to the third quarter of 2007.
 - Accepted the resignation of the Central Manager of Internal Auditing, Manuel Lara Gómez. This position remains vacant.
2. On November 13th, Telefónica del Perú and the Employee's Labor Union of the Company subscribes collective agreement which will be hold until February 28, 2010.
3. On November 22nd, the Board of Directors:
 - Approved the simple merger process between Telefónica del Perú and its subsidiaries Telefónica Soluciones Globales Holding S.A.C. (TSGH), Media Networks S.A.C. (Media) and Zeleris Perú S.A.C. (Zeleris).
 - Approved the simple merger process between Telefónica del Perú and its subsidiary Telefónica Servicios Técnicos S.A.C. (TST).

On December 21st, the General Shareholders Meeting:

- Approved both the simple merger processes of Telefónica del Perú and its subsidiaries TSGH, Media and Zeleris and Telefónica del Perú and its subsidiary TST, under which Telefónica will absorb the aforementioned subsidiaries, extinguishing the legal entity of the latter, .The merge was effective on January 01, 2008.
 - Delegated on the Board of Directors the power to amortize the shares that Telefonica could purchase as a result of an eventual execution of shareholders right of withdrawal due to the merger processes and, as a consequence, reduce the capital stock and approve the amendment of the article 5 of the Company's By Laws.
4. On December 12th, the Board of Directors approved the acquisition of the representative shares of the capital stock of:
 - Telefónica Móviles Perú Holding S.A.A.(TMPH), which could confer to Telefónica del Perú S.A.A. a participation of up to 100% of the capital stock thereof.
 - Telefónica Móviles S.A. (TM), which could confer to Telefónica del PerúS.A.A. a participation of up to 4% of the capital stock thereof.

Both authorizations will expire on December 31st, 2009 and the necessary transactions will have to be carried out through the Lima Stock Exchange.

As a consequence of the aforesaid transactions, on December 21st, Telefónica del Perú purchased 61 207 260 representative shares of the capital stock of TMPH from Latin America Cellular Holdings BV (LACH), which represented 17.16% of capital stock, and does not represent a change in control given that both LACH and Telefónica del Perú belong to the same Economic Group.

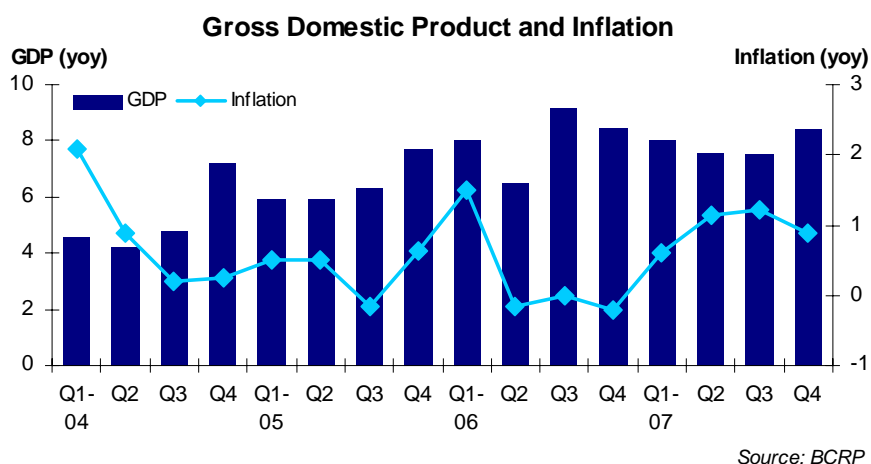
Telefónica del Perú S.A.A. and Subsidiaries Discussion and analysis of the fourth quarter results ended on December 31, 2007.

It is recommended the reading of this report along with the corresponding consolidated financial statements and their notes, presented at the same time, since they form integral part of this document and contain complementary information.

Economic Environment

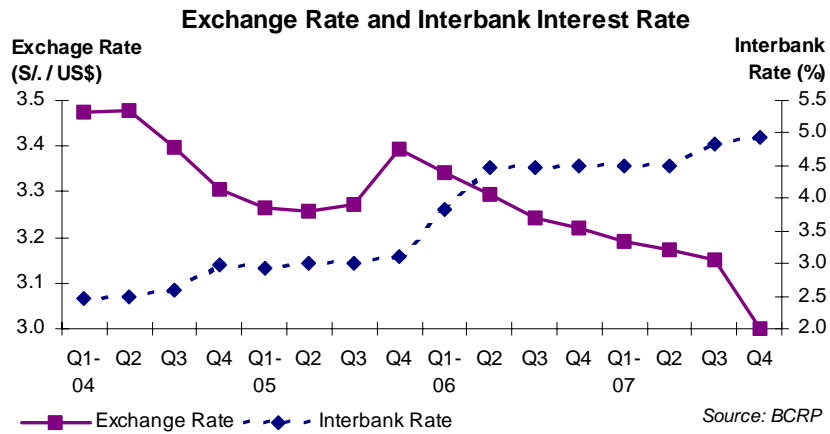
The economic dynamism was maintained during the last quarter of 2007. According to preliminary numbers, the Gross Domestic Product (GDP) could have risen by 8.4% in comparison with the same period of 2006. The sectors which led the expansion were civil construction, services and non-primary manufacture. Regarding expenses, it is important to highlight growth from internal demand and, in particular, from consumption and private investment.

Regarding inflation, the Consumer Price Index (CPI) recorded robust rises in the last months of the year, fundamentally due to the increase of the imported inflation. The dynamism of the domestic demand and the increase of fuel prices and of some foods resulted in annual inflation of 3.9%, above the upper range set by the Peruvian Central Bank BCRP (1%-3%).



In the last quarter of 2007, pressures over the exchange rate rose due to a larger differential between the FED funds rate and the BCRP discount rate. The exchange rate ended the year in S/.2,998 per dollar, which represents an appreciation of 6.19% over the recorded in 2006 (S/. 3,196). Due to this scenario, the BCRP accumulated US dollar purchases of US\$ 10 414 million in the year, increasing Net International Reserve to US\$ 27 689 million by the end of the fourth quarter, 60% higher than the registered in 2006.

Regarding the financial sector, despite the high volatility in the stock markets, the Lima Stock Exchange (BVL) kept higher yields compared to other Latin American Stock Exchanges. Thereby, the IGBVL (Lima General Index) registered an annual increase of 36% in 2007. On the other hand, the interbank rate reached 5% by the end of the year, higher than the registered by the end of 2006 (4.5%).



Competitive Environment

During the 4Q07 operators have consolidated through different strategic.

In the third quarter, Telmex standardized its Cable TV platform and in December unified its commercial management under the brand Telmex TV. By doing that, the company launched in the end of the year bundles compound by PayTV and Broadband.

In response to this environment, Telefónica, launched in July the product TRIO. In addition to, in November Telefónica scaled up the speed of its broadband products, being the upper scale in the range of 2.5Mbps. This up scale was offered to all outstanding clients starting December.

Income Statements¹

Operating Revenues

The **operating revenues** in the 4Q07 reached S/. 1,065 million, lower (5.2%) than the registered in the 4Q06. The lower revenues of Local Telephony (-12.2%), Rural and Public Telephony (-27.7%), Long Distance (-14.9%) and Data and Information Technology (-13.0%), could not be offset by the increases in Internet (19.9%), PayTV (24.8%) and Others (18.5%). As for 12M07 the operating revenues reached S/. 4,422 million, a decrease of 1.7% over 12M06, explained by lower revenues from Rural and Public Telephony (-26.0%), Local Telephony (-6.4%) and Data and Information Technology (-7.0%). However, higher revenues from Internet (23.2%), PayTV (23.9%), Long Distance (0.8%) and Others (17.4%) were observed.

The company continues to develop its commercial strategy based on market penetration by offering services to different market segments, focusing campaigns to keep customer loyalty further increasing the available options to potential customers. Thus, in the end of 12M07, the total number of lines increased by (i) 2.2% in fixed telephony, (ii) 22.1% in broadband, (iii) 14.9% in PayTV with the incorporation of satellite technology for clients who live in remote places, and (iv) 6.5% in Rural and Public Telephony.

As for the performance of the businesses, **local telephony** revenues for 4Q07 reached S/. 367 million, a decrease of 12.2% over 4Q06. This is chiefly explained by lower revenues from Monthly Fee of 14.1%, due to a fall of 14.4% in the average tariff - caused by implementation of the Productivity Factor and by agreements established with the Government - as well as for the lower revenues from Fixed-Fixed Traffic (17.1%) – also due to the implementation of the Productivity Factor – and in Pre-paid Cards (36.6%) as a result of the substitution by mobile phones.

In addition, the local telephony revenues for 12M07 of S/. 1,543 million also declined by 6.4% over 12M06, explained by the same aforesaid reasons, as reflected in a decrease of the Monthly Fee of 13.5% and the Fixed-to-Fixed Traffic of 13.1%, offset by higher Fixed-to-Mobile revenues of 5.5%. In the same manner, it is important to highlight an annual growth in lines in service of 1.2%, reaching a total of 2,4 million.

Long Distance revenues decreased 14.9% in the 4Q07 over 4Q06, reaching S/. 83 million. Lower revenues from Domestic Long Distance (DLD) of 23.9% and lower revenues from International Long Distance (ILD) of 2.4% was mainly explained by the recently implemented long distance – pre-selection and by the decrease in prepaid cards.

On the other hand, the Long Distance revenues in the 12M07 of S/. 386 million registered an increase of 0.8% over 12M06, mainly due to higher revenues from ILD of 7.3%, as a result of higher Outgoing Traffic. DLD registered a revenues decrease of 3.9% as a result of the pre-selection effect previously mentioned.

On the other hand, the **Public Telephony** and **Rural Telephony** revenues reached S/. 136 million in the 4Q07, 27.7% lower than the registered in the 4Q06, meanwhile in the 12M07 it was reached S/. 654 million, 26.0% lower than 12M06. This reduction is mainly explained by the substitution of its services by mobile telephony, by the growth of informal public telephony and by a more competitive environment. This decrease occurs despite the annual growth of lines in service of 6.5%, and the 11.4% revenues increase of rural telephony.

¹ In May 2006 the merger of Telefónica Empresas S.A.A. and Telefónica del Perú S.A.A. entered into effect as approved by the General Shareholders Meeting of April 24, 2006, whereby the financial statements of Telefónica del Perú S.A.A. include the results of Telefónica Empresas S.A.A. from the date of effective merger. On December 30, 2006, the merger between Telefónica del Perú S.A.A. and Telefónica Perú Holding S.A.C. entered into effect. For comparative purposes, the financial statements were restructured as if the merger had started on January 01, 2006.

According to the **PayTV** business, revenues reached S/. 119 million in the 4Q07, an annual growth of 24.8%. Likewise, in the 12M07 revenues increased 23.9% when compared to the same period of the previous year, reaching S/. 441 million. This growth is mainly explained by the increase in 2007 of 14.9% in the number of accesses in service, reaching 640 thousand accesses in the end of December 2007. This was the result of the deployment with satellite TV service for customers with remote location, as well as the permanent implementation of the program against illegal installations.

Revenues from **Internet** reached S/. 183 million in the 4Q07, 19.9% higher than 4Q06. This increase is mainly explained by the growth of customers in Broadband of 22.1%, which has resulted in 572 thousand accesses. In addition, the revenues from 12M07 reached S/. 677 million, 23.2% higher than the registered in the 12M06. It is important to highlight that the growth of customers was sustained by varied promotional campaigns promoted by the company during the year, outstanding in the 4Q07 the consolidation of the TRIO Telefónica (launched in August) and the launch of the new speedy portfolio.

Revenues from **Data and Information Technology** reached S/. 74 million in the 4Q07, 13.0% lower than the registered in the 4Q06. For the 12M07 revenues reached S/. 286 million in the 12M07, which represents a reduction of 7.0% over 12M06.

Operating Expenses

Operating expenses in the 4Q07 increased 41.8% over the 4Q06, reaching S/. 1.477 million, which represents an increase of S/. 436 million, fundamentally by higher expense provisions of S/. 446 million related to the launch of a program of voluntary leave for personnel of Telefónica del Perú in the end of December and starting by the beginning of 2008. Without considering this provision, the operating expenses would have decreased S/. 10 million.

In the 4Q07, it was observed higher personnel expenses of S/. 5 million, explained by the increase of 8.2% in the headcount, higher general and administrative expenses of S/. 40 million and higher depreciation and amortization expenses of S/. 23 million and provisions of S/. 22 million. These increases were partially offset by lower interconnection and carrier settlements of S/. 58 million, as well as lower expenses of others net revenues and expenses of S/. 24 million and materials and supplies of S/. 9 million.

In addition, operating expenses in 2007 increased 10.9% over 2006, by reaching S/. 4 303 million, which represents an increase of S/. 423 million, mainly due the program of voluntary leave previously mentioned. Without considering this, operating expenses would have decreased S/. 23 million.

In 2007, personnel expenses increased S/. 19 million – explained by the previous aforesaid reasons -, general and administrative increased S/. 92 million and provisions of S/. 39 million, the same that were partially offset by lower depreciation and amortization expenses of S/. 94 million, interconnection and carrier settlements of S/. 62 million, as well as lower materials and supplies expenses of S/. 7 million.

Operating Results

Operating Results in the 4Q07 reached a negative result of S/. 412 million, which represents a decrease of S/. 494 million over 4Q06. However, the operating results in the 12M07 reached S/. 119 million, S/. 499 million lower than the 12M06, mainly as a consequence of the provision related to the launch of the “voluntary leave” program and by lower revenues in the Public, Rural and Local Telephony and Data and Information Technology.

Excluding the provision effect related to the launch of the “voluntary leave” program and others revenues and expenses, the result would have decreased S/. 72 million in the 4Q07 and S/. 51 million in 2007, in comparison to the comparable period of the previous year.

Non-Operating Results

The non-operating results were better by S/. 25 million as they went, a loss of from S/. 47 million in the 4Q06 to a loss of S/. 22 million in the 4T07. This is explained by the positive effect from foreign exchange² which reached S/. 14 million in the 4Q07 over a loss of S/. 6 million registered in the 4Q06 as well as to the increase of net financial income of S/. 6 million.

In the 12M07, non-operating results improved by S/. 45 million over 12M06, mainly due to higher net financial income S/. 19 million, to a lower negative effect from foreign exchange² of S/. 20 million and to a higher participation in related companies results of S/. 6 million.

Net Income

The net loss increased from S/. 17 million in the 4Q06 to S/. 294 million in the 4Q07, as a consequence of the “voluntary leave” program provision. In the 12M07, the company reached a loss of S/. 91 million over the net income of S/. 178 million registered in the 12M06.

Consolidated Balance Sheet

The current asset registered at the end of 4Q07 was S/. 1,405 million. Likewise, current liabilities reached S/. 2,697 million, an increase of S/. 665 million over 3Q07, mainly due to the increase in Other Obligations, which includes the provision of the “voluntary leave” program. Thus, the liquidity level at the end of 4Q07, measured by the current assets over current liabilities ratio, reached 0.52, over 0.99 in the 3Q07.

On the other hand, the net asset in the 4Q07 reached S/. 4,090 million, a decrease of S/. 148 million over 3Q07.

Total debt increased from S/. 2,780 million in the 3Q07 to S/. 3,562 million in the 4Q07. Finally, the shareholders' equity decreased S/. 288 million in the 4Q07, reaching S/. 2,987 million.

² Refers to the results from foreign Exchange and derivatives.

TABLA 1
TELEFONICA DEL PERU S.A.A. AND SUBSIDIARIES ^{1/}
CONSOLIDATED INCOME STATEMENTS IN ADJUSTED SOLES (000) AS OF DECEMBRE 31, 2007
(Prepared In Accordance With Peruvian GAAP)

	4Q06		4Q07		Abs. Var.	Var. %	12M06		12M07		Var. Abs.	Var. %
		%		%	4Q07-4Q06	4Q07-4Q06					12M07-12M06	12M07-12M06
Total Operating Revenues	1,123,487	100.0	1,065,362	100.0	(58,125)	(5.2)	4,498,611	100.0	4,422,215	100.0	(76,396)	(1.7)
Local Telephone Service	417,666	37.2	366,568	34.4	(51,098)	(12.2)	1,648,363	36.6	1,542,833	34.9	(105,530)	(6.4)
Internet	152,304	13.6	182,606	17.1	30,302	19.9	549,354	12.2	677,055	15.3	127,701	23.2
Public Telephones	187,418	16.7	135,522	12.7	(51,896)	(27.7)	883,312	19.6	653,563	14.8	(229,749)	(26.0)
Pay TV	95,058	8.5	118,607	11.1	23,549	24.8	355,874	7.9	440,832	10.0	84,958	23.9
Long Distance	97,107	8.6	82,592	7.8	(14,515)	(14.9)	382,497	8.5	385,676	8.7	3,179	0.8
Business Communications	84,538	7.5	73,553	6.9	(10,985)	(13.0)	307,915	6.8	286,457	6.5	(21,458)	(7.0)
Otros	89,396	8.0	105,914	9.9	16,518	18.5	371,296	8.3	435,799	9.9	64,503	17.4
Total Operating Costs and Expenses	1,041,795	92.7	1,477,421	138.7	435,626	41.8	3,880,346	86.3	4,303,445	97.3	423,099	10.9
General and Administrative	276,428	24.6	315,474	29.6	39,046	14.1	1,137,621	25.3	1,229,984	27.8	92,363	8.1
Interconnection Expenses	194,922	17.3	136,811	12.8	(58,111)	(29.8)	668,802	14.9	606,363	13.7	(62,439)	(9.3)
Personnel	111,186	9.9	116,252	10.9	5,066	4.6	433,476	9.6	452,657	10.2	19,181	4.4
Depreciation and Amortization	371,518	33.1	394,584	37.0	23,066	6.2	1,342,911	29.9	1,249,407	28.3	(93,504)	(7.0)
Managment Fee	8,079	0.7	65	0.0	(8,014)	(99.2)	51,953	1.2	39,508	0.9	(12,445)	(24.0)
Materials and Supplies	36,228	3.2	26,937	2.5	(9,291)	(25.6)	124,393	2.8	117,398	2.7	(6,995)	(5.6)
Provisions	10,541	0.9	32,663	3.1	22,122	209.9	42,504	0.9	81,190	1.8	38,686	91.0
Voluntary Leave Program	-	-	445,670	41.8	445,670	-	-	-	445,670	10.1	445,670	-
Others Net	32,893	2.9	8,965	0.8	(23,928)	(72.7)	78,686	1.7	81,268	1.8	2,582	3.3
Operating Income	81,692	7.3	(412,059)	(38.7)	(493,751)	(604.4)	618,265	13.7	118,770	2.7	(499,495)	(80.8)
Operating Income before voluntary leave program and Others Net	114,585	10.2	42,576	4.0	(72,009)	(62.8)	696,951	15.5	645,708	14.6	(51,243)	(7.4)
Interest Income	6,676	0.6	19,945	1.9	13,269	198.8	29,056	0.6	55,471	1.3	26,415	90.9
Interest Expenses	(50,087)	(4.5)	(58,069)	(5.5)	(7,982)	15.9	(192,414)	(4.3)	(200,252)	(4.5)	(7,838)	4.1
Exchange gain (loss)	(5,517)	(0.5)	14,222	1.3	19,739	(357.8)	(31,552)	(0.7)	(11,218)	(0.3)	20,334	(64.4)
Participation of affiliates results	1,890	0.2	2,204	0.2	314	16.6	4,045	0.1	9,869	0.2	5,824	144.0
Non Operating Results	(47,038)	(4.2)	(21,698)	(2.0)	25,340	(53.9)	(190,865)	(4.2)	(146,130)	(3.3)	44,735	(23.4)
Income Before Taxes and Participations	34,654	3.1	(433,757)	(40.7)	(468,411)	(1,351.7)	427,400	9.5	(27,360)	(0.6)	(454,760)	(106.4)
Workers' Participation	(13,514)	(1.2)	37,992	3.6	51,506	(381.1)	(65,559)	(1.5)	(16,025)	(0.4)	49,534	(75.6)
Income Tax	(38,118)	(3.4)	101,415	9.5	139,533	(366.1)	(183,834)	(4.1)	(47,931)	(1.1)	135,903	(73.9)
Net Income	(16,978)	(1.5)	(294,350)	(27.6)	(277,372)	1,633.7	178,007	4.0	(91,316)	(2.1)	(269,323)	(151.3)

1/ Starting November 2005 Telefónica del Peru financial statements incorporate the results of Telefónica Empresas S.A.A. reflecting the purchase of 97.86% of the stock of Telefónica Empresas. The merger of mentioned companies was effective on May 2006. In addition, on December 30th 2006, the merger between Telefónica del Perú S.A.A. and Telefónica Perú Holding S.A.C. was implemented. For comparison purposes the financial statements of Telefónica del Peru S.A.A. have been restructured as if the merger had occurred on the 1st of January of 2006.

TABLE 2
TELEFONICA DEL PERU S.A.A. AND SUBSIDIARIES ^{1/}
CONSOLIDATED BALANCE SHEET IN NUEVOS SOLES (000) AS OF DECEMBER 31, 2007
(Prepared In Accordance With Peruvian GAAP)

ACTIVO						LIABILITIES AND SHAREHOLDERS' EQUITY					
	4Q07	3Q07	2Q07	1Q07	4Q06	4Q07	3Q07	2Q07	1Q07	4Q06	
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and Banks	392,026	579,242	420,408	190,406	131,080	Overdrafts	10,619	22,331	12,190	11,115	11,207
Accounts receivable - net	716,702	766,711	724,552	639,719	660,169	Accounts payable	561,091	494,718	462,000	419,281	547,242
Affiliated Company Loans	-	339,350	348,370	350,020	351,340	Other accounts payable	109,077	115,227	165,936	91,374	84,474
Accounts receivable - Affiliated Company	106,447	145,498	82,818	55,097	28,269	Provision for severance indemnities	1,129,398	684,769	672,634	581,156	671,209
Other accounts receivable	22,556	19,018	24,877	21,702	19,040	Bank Loans ^{2/}	436,059	173,049	176,854	107,579	180,984
Materials and supplies	84,206	74,698	46,902	46,348	48,358	Commercial Papers ^{2/}	128,858	126,701	68,992	-	-
Prepaid taxes and expenses and others	82,867	80,141	83,643	107,017	86,491	Current portion of bonds ^{2/}	112,950	128,392	122,078	186,540	240,345
						Current portion of long-term debt ^{2/}	208,753	286,633	261,287	422,563	413,833
Total current assets	1,404,804	2,004,658	1,731,570	1,410,309	1,324,747	Total current liabilities	2,696,805	2,031,820	1,941,971	1,819,608	2,149,294
						BONDS	1,891,653	1,574,246	1,576,645	1,549,964	1,372,467
LONG-TERM ACCOUNT RECEIVABLE	1,506	-	-	-	-	LONG-TERM DEBT ^{2/}	784,021	491,812	473,912	404,267	403,568
LONG-TERM INVESTMENTS	1,517,506	18,161	15,738	13,715	10,861	GUARANTY DEPOSITS AND OTHERS	60,396	63,131	62,630	65,854	65,724
DEFERRED CHARGES	54,584	58,206	65,822	34,425	38,817	DEFERRED LIABILITIES DUE TO INCOME TAXEZ AND WORKERS PARTICIPATION	627,295	890,626	942,038	1,039,429	1,110,327
PROPERTY, PLANT	16,674,187	16,717,215	16,586,590	16,476,282	16,416,922	DEFERRED EARNINGS - NET	40,236	40,531	35,713	36,194	39,234
Accumulated depreciation	(12,560,879)	(12,455,900)	(12,229,189)	(11,998,698)	(11,768,833)	SHAREHOLDERS' EQUITY					
	4,113,308	4,261,315	4,357,401	4,477,584	4,648,089	Capital stock	2,591,451	2,591,451	2,591,451	2,591,451	2,727,843
Write-off Provision	(23,654)	(23,654)	(23,654)	(23,654)	(23,654)	Additional Capital	4,964	4,964	4,964	4,964	4,964
	4,089,654	4,237,661	4,333,747	4,453,930	4,624,435	Legal reserve	76,206	76,206	76,206	76,206	58,603
NET INTANGIBLE ASSETS	2,019,539	2,049,326	2,098,633	2,149,077	2,202,733	Freely distributable Reserves	249,407	249,407	249,407	249,407	249,407
						Other reserves	10,969	4,944	444	(2,773)	(6,889)
TOTAL ASSETS	9,087,593	8,368,012	8,245,510	8,061,456	8,201,593	Retained earnings	54,190	348,874	290,129	226,885	27,051
						TOTAL SHAREHOLDERS' EQUITY	2,987,187	3,275,846	3,212,601	3,146,140	3,060,979
						TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,087,593	8,368,012	8,245,510	8,061,456	8,201,593

1/ Starting on May 2006, Telefónica del Perú financial statements incorporate the results of Telefónica Empresas S.A.A. according to the merger approved on May 2006. In addition, on December 30th 2006, the merger between Telefónica del Perú S.A.A. and Telefónica Perú Holding S.A.C. was implemented. For comparison purposes the financial statements of Telefónica del Perú S.A.A. have been restructured as if the merger had occurred on the 1st of January of 2006.

TABLA 3
TELEFONICA DEL PERU S.A.A. AND SUBSIDIARIES
Statistical Data, End of Period Figures

	4Q06	1Q07	2Q07	3Q07	4Q07	Var. Abs 4Q07 -4Q06	4Q07/ 4Q06
FIXED TELEPHONY							
Lines Installed	2,645,895	2,662,887	2,700,519	2,702,707	2,708,119	62,224	2.4
Lines in Service (1)	2,503,778	2,535,213	2,563,020	2,558,085	2,558,947	55,169	2.2
Lines in Service per Employee (Telefónica del Perú) (2)	635	639	646	625	608	(27)	(4.3)
Lines in Service per 100 inhabitants (%)	8.8	9.1	9.2	9.1	9.1	0.3	3.4
BASIC TELEPHONY							
Lines in Service	2,360,259	2,389,147	2,407,571	2,391,920	2,389,099	28,840	1.2
PUBLIC TELEPHONES							
Lines in Service (3)	143,176	144,868	149,286	154,583	152,463	9,287	6.5
BROADBAND							
Lines in Service (4)	468,122	497,305	527,399	555,423	571,587	103,465	22.1
PAY TV							
Lines in Service (5)	557,166	561,098	599,974	628,014	640,045	82,879	14.9
TRAFFIC							
Local Traffic - Minutes (000) (6)	1,270,330	1,181,462	1,154,636	1,105,993	1,082,547	(187,783)	(14.8)
Long Distance - Minutes (000) (7)	350,691	343,781	350,984	374,019	373,948	23,257	6.6
NUMBER OF EMPLOYEES							
Telefónica del Perú (2)	3,945	3,970	3,970	4,091	4,206	261	6.6
Telefónica del Perú and Subsidiaries (8)	5,342	5,343	5,388	5,644	5,780	438	8.2

(1) Includes Basic Telephony, Public and Rural Telephones, without Cellulares.

(2) In August 2007, personnel from Telefónica Móviles corporate areas was transferred to TdP

(3) Includes Fixed and Mobile Public Telephones, Fixed and Mobile Rural Telephone.

(4) Includes Speedy Traditional, Speedy Business, Giga ADSL and Cablenet, and starting 2006 includes access to Optic Fiber.

(5) Starting 4Q 2006 includes Cable TV and Satellite TV.

(6) Includes F2F billing (voice and internet), F2M and M2F.

(7) Excludes Prepaid cards, includes packet minutes plans.

(8) In July 2007, Telefonica Servicios Digitales (subsidiary of Telefónica del Perú) incorporated personnel to its payroll. In August 2007, personnel from Telefónica Móviles was transferred to Telefónica del Perú.