

Telefonica

Quarterly Results
Telefónica del Perú S.A.A.

July – September 2009

Significant Events 3Q09

A summary containing the most significant events from July 1st to September 30th of 2009:

1. The Board of Directors, on July 20th, adopted the following agreements:
 - Formulated the individual and consolidated financial statements corresponding to the second quarter 2009.
 - Designated Ernst & Young as external auditor for the year 2009.
 - Modified name's position of Institutional Relationships Director to Institutional Relationships and Corporate Communication Director.
1. On July 30th, the board of Directors accepted the resignation of Michael Duncan Cary Barnard as CEO and appointed Álvaro Badiola Guerra in his place.
2. On August 20th, Shareholders meeting of Telefónica Servicios Digitales, subsidiary of Telefonica del Perú, agrees to reduce share capital to S/. 818 471.
3. On September 23th, Shareholders meeting of Star Global Com, subsidiary of Telefónica del Perú decided to reduce share capital for return of contributions to shareholders. Share Capital was reduced to S/. 2 847 273.
4. On October 2nd, the Board of Directors accepted the resignation of César Andrade Nicolini as Residencial Vicepresident and designated José Miguel Gamero Savastano in his place.

Telefónica del Perú S.A.A.

Discussion and analysis of the results of the third quarter ended on September 30th, 2009.

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

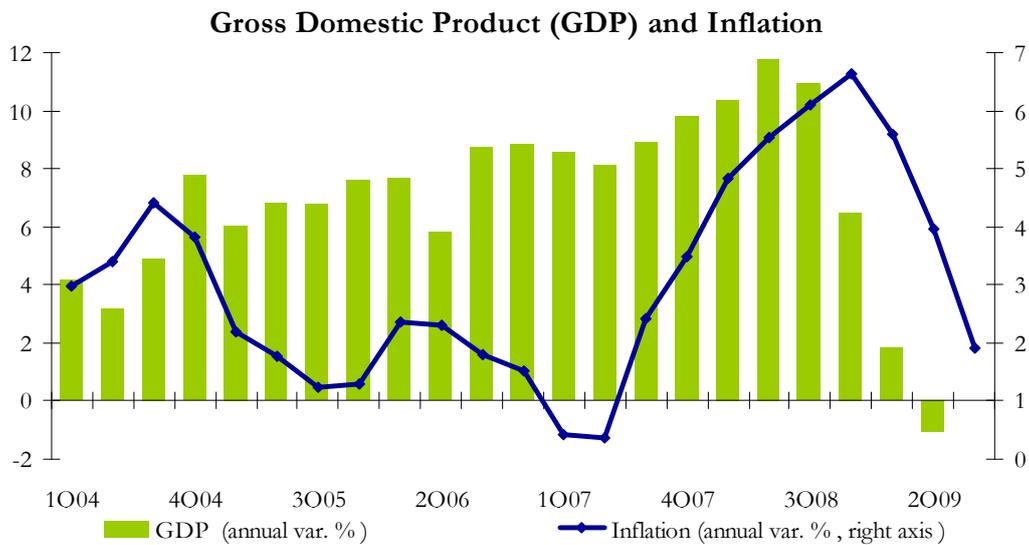
Economic Environment

In the second quarter of 2009, GDP fell 1.1% (for the first time since 2001) compared to that quarter of the previous year, mainly due to the decrease in private investment and to the higher de-accumulation of inventories. Nevertheless, Consumption expanded at a lower rate than in the previous quarters. Meanwhile, the public cost in consumption and investment, grew as a part of the Plan of economic stimulus (PEE) launched since the beginning of 2009. Private consumption continued its growth during second quarter thanks to the evolution of employment and workers' wages. On the other hand, Public consumption increased in 8,9%, as a result of the majors purchases of goods and services from the national and regional governments, as well as by the increase of wages (+6.3%). Public investment grew 12,9%, explained by major expenses in investment by regional governments (+33.8%), the national government (+11.7%) and state companies (+12.8%). Finally, private investment registered a 20.8% contraction and the exports registered a 3.1% fall whereas the imports were substantially reduced (- 24.0%). By the sector side, the negative result of 2Q09 is attributed to the fall in non-primary sectors (- 1.5%), mainly, in non-primary manufacture, construction and commerce. Primary activities altogether grew 0,9%, mainly by the expansion of agriculture and the subsector of hydrocarbons.

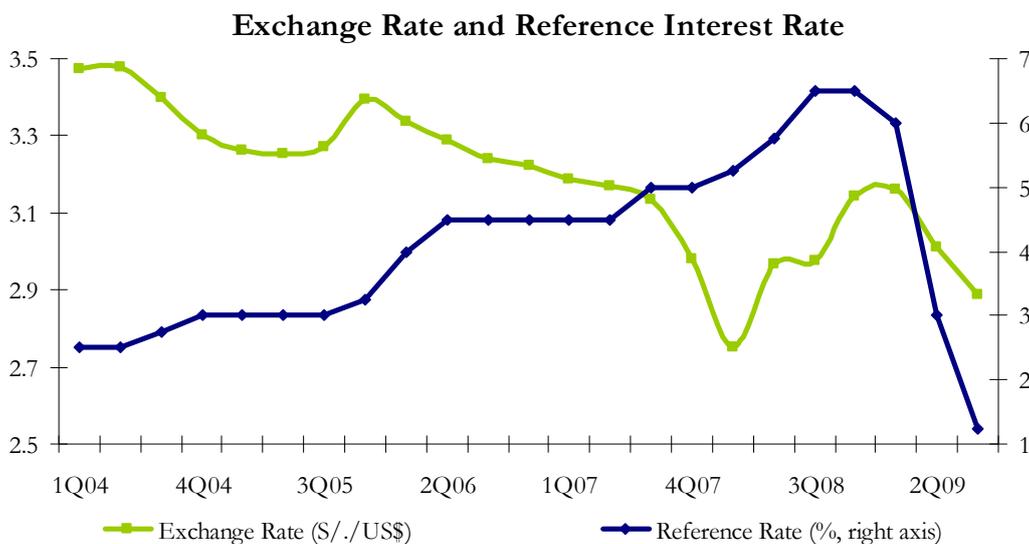
In August, GDP grew 0,25% compared to that month of the previous year, superior to the 0.6% fall, which shows an accumulated growth of 0.11% since the beginning of the year. The result is explained by the good performance of the construction and service sectors, in a context of greater fiscal stimulus. Thus, governmental services grew in 18% compared to August 2008 (goods and services costs grew 31%), while construction projects advance grew in 26,2%. On the other hand, non-primary manufacture continued an adjustment process, falling 12,7% compared to that month of the previous year, similar to both previous months. In non-seasonal terms, GDP grew in 1,5% compared to July 09, the highest rate in the last 14 months.

On the other hand, the variation in the consumer price index in September was -0,09% compared to the previous month, consequently it was the fifth month of the year with negative result. With this result, there is an accumulated fall of prices of 0.08% in the first nine months of the year and an increase of 1.20% in the last 12 months, level near the inferior limit of the rank goal of inflation of the Central bank (2% +/- 1%). The result of the month is mainly explained by the diminution of the price of bird-raising products and the international passages.

In inter-annual terms, inflation continues a decreasing trend, mainly due to the reversion of shocks of prices in fuels and foods happened in 2008. In the same way, the prices of some goods and services that are more related to the evolution of the domestic demand (clothes and footwear, as well as furniture and equipment) show a clear deceleration, fact that has guided the expectations of inflation of the market in the same sense.



In September, exchange rate closed in 2,89 new sol per dollar, which reflects a 3.1% appreciation of the New Sol compared to the same month of the previous year and of 8.2% compared to December 2008. This appreciation is explained by the smaller risk aversion in emerging markets, the weakness of dollar compared to hard currencies, the best perspective on the balance of payments to what was expected at the beginning of year, and by the partial recover of the market considering the macroeconomic foundations of the New Sol. Thus, in 3Q09, the performance of the local currency was in line with the performance of the other currencies of the region, which were guided by commodities prices and the stock markets. Between January and September 2009, Central bank reduced its reference interest rate of monetary policy in 5,25 percentage points until 1.25% level, the historical minimum since the beginning of the use of the scheme of explicit goals of inflation. In the last meeting of monetary policy, on October, Central bank decided to maintain its reference interest rate and reaffirmed its intention to modify it, only if it observed a change in the tendency of the inflation and its determinants.



The country risk of Peru, considered by Emerging markets bonds index (EMBI+) of JP Morgan, fell at levels of 205 points in September, a slightly better evolution compared to the advance of other countries in the region. In the same way, the yields of sovereign bonds of Peru continued falling in the third quarter (0.60 percentage points in average), mainly in the short part of the curve (1.70 percentage points in average), in line with the reduction of reference rate of the Central bank. Peruvian global bonds followed the same trend, with 0.90 and 1.15 percentage points of reduction in the total average and in the short part of the curve, respectively, due to preference for liquidity by investors.

Competitive environment

During 3Q09, Telefonica continued its strategy of focus in the expansion of services, whereas competitors concentrated in the retention and loyalty of clients, fixed wireless telephony, as well as in the capture of new clients through promotions and packeted bargains in Lima and other cities.

In the broadband market, Telefonica introduced the Satellite Internet service in Iquitos, which resolves the limitations of communication in this area and benefits thousands of users. Also, in Iquitos, Telefónica presented packeted offers (Duos) that join fixed telephony services with cable television through Cable Mágico Satelital, which allows the saving in high quality communication services.

It is important to highlight that Telefonica, as a part of his commitment of inclusion, and increase of penetration in far zones, introduced the Fonowasi service, fixed wireless telephony in rural areas, for S/. 19, monthly.

Operating Results

Operating Revenues

Operating income in 3Q09 reached S/. 983 million, 4,0% higher than that registered in 3T08. The highest income were observed in Television by Subscription (+S/. 32 million), Data and Information Technology (+S/. 13 million), Internet (+S/. 11 million), Public and Rural Telephony (+S/. 7 million) and Others (+S/. 20 million), this was partially offset by a drop in Local Telephony (- S/. 33 million), Interconnection and Circuits services (- S/. 6 million) and Long Distance Telephony (- S/.6 million).

Operating income in 9M09 reached S/. 2 921 million, which represents an increase of 5.4% compared to 9M08, as a result of higher revenues in Television by Subscription (+S/. 104 million), Data and Information Technology (+S/. 46 million), Internet (+S/. 32 million), Interconnection and Circuits services (+S/. 16 million) and Others (+S/. 66 million). On the other hand, lower revenues were observed in Local Telephony (- S/. 93 million), Long Distance Telephony (- S/. 18 million) and Public and Rural Telephony (- S/. 4 million).

Telefonica del Peru's penetration commercial strategy is managed through the offer of services directed to each segment of the market by offering "Trios" and "Duos", and by loyalty campaigns. Thus, by the end of 3Q09, total operating broad band accesses shows

an inter-annual growth of 13.9% essentially by the increase of clients in Speedy due to a broader supply of multiproducts (TV, Speedy and Voice), as well as by the commercialization of the complete Internet connection "Speedy Total". On the other hand, Public and Rural Telephony accesses expanded in 3,8%, as a result of the impact of the campaign "Flat Tariff" in SLMF (Fixed Mobile Local Service) and LDNFF (fixed-fixed national Long distance) which was offset by the mobile substitution, that increase the number of dropped lines. Finally, Television by Subscription had a growth of 9.7% in the number of clients, due to the present model of commercialization of multiproducts packages ("Trios" and "Duos" TV).

Local Telephony revenues reached S/.320 million in 3Q09, a fall of 9.2% compared to 3Q08. This is explained by lower revenues (i) in the fixed traffic to other operators (mobile and fixed) of 16.0% by the mobile substitution effect, (II) in the fixed-fixed traffic invoiced (excess) of 40.4% due to the migration to flat tariff lines and pricing per second lines, and (III) in the monthly rent of 3.5% due to a smaller plant that by the end of 3Q09 includes 2.2 million accesses, 5.5% below the registered number in the same period of the previous year. Similar behavior is observed in 9M09, when revenues totalized S/. 979 million, 8.7% less than that of 9M08. This fall is as a consequence of lower revenues in interconnection traffic with other operators of 18,2% and to lower revenues in the monthly rent of 2,9% by the fall of the plant.

Long Distance revenues fell in 7,9% in 3Q09 compared to 3Q08, totalizing S/. 70 million. This fall is due to lower long national distance revenues (LDN) in 15,5%, mainly explained by the mobile substitution effect, the strong pre-payment card competition and the lower plant of plans. Respecting international long distance (LDI), revenues grew 0.3% as a result of a broader plant of plans, and a greater dialled and card traffics. Revenues in 9M09 was S/.214 million, a 7.6% fall. In National Long Distance (LDN), the factors before mentioned explain the fall of 15.6% in revenues, whereas ithe increase of 1.0% in International Long Distance is due to a greater plant of plans.

Public and Rural telephony revenues reached S/. 112 million in 3Q09, 6,4% higher than 3Q08. This increase is the result of the recovery in the traffic thanks to the campaign "Call fixed lines without stopping". On the other hand, 9M09 revenues reached S/. 331 million, a reduction of 1.1% compared to 9M08, in spite of the 3.8% inter-annual growth of the operating plant (155 631 lines in the urban area and 11 640 lines in the rural area by 3Q09).

Television by Subscription revenues registered S/. 49 million in 3Q09 compared to S/. 17 million in 3Q08. This increase is mainly explained by the inter-annual growth of the number of packaged clients, who reached 198 thousand clients in 3Q09, as a result of the present commercial model (multi-products packages: "Trios" and "Duos" TV). The rest of the plant (525 thousands) corresponds to clients of the subsidiaries Telefonica Multimedia and Star Global Com. On the other hand, 9M09 revenues reached S/. 125 million, a substantial growth compared to 9M08.

Internet revenues reached S/. 218 million in 3Q09, 5,3% higher than in 3Q08. This increase is explained by the growth of the broadband plant in 13,9%, up to 762 thousand accesses through a greater packaged offer, and the commercialization of "Speedy Total". On the other hand, 9M09 revenues reached S/. 625 million, 5,3% higher than in 9M08, due to the factors before mentioned.

Interconnection and Circuits services revenues reached S/. 89 million in 3Q09, a fall in 6.5% compared to 3Q08, as a result of the reduction of fixed network termination charge to US\$ 0.00824 per minute. 9M09 revenues reached S/. 288 million, an increase of 5.8% compared to 9M08 as a result of the good results of the previous quarters.

Data and Information technology reached S/. 102 million in 3Q09, 14,1% higher than in 3Q08. This is mainly explained by the accomplishment of majors projects in Data Services and Information Technology processes. Revenues in 9M09 were S/. 282 million, 19,6% higher than 9M08.

Others revenues reached S/. 24 million in 3Q09 compared to S/. 4 million in 3T08, as a result of higher PdTI revenues (Computer science Job, services that offer solutions to small and medium businesses)), which represent an important part of this group. Revenues in 9M09 were S/.76 million, an important increase compared to 9M08, due to PdTI.

Operating Expenses

Operating expenses in 3Q09 reached S/. 789 million, 5.7% lower than 3Q08. This as a result of lower personnel expenses (- S/. 42 million), Depreciation and Amortization (- S/. 19 million), interconnection expenses (- s. 7 million), materials and supplies expenses (- S/. 6 million) and other net revenues and expenses (- S/. 22 million), as well as by the reversion of provision by the Optional Retirement Program (- S/. 8 million). These reductions were partly offset by the higher general and administrative expenses (+S/. 54 million).

Accumulated operating expenses in 9M09 were increased in 0,8% compared to 9M08, totalizing S/. 2 474 million. The increase was mainly observed in general and administrative expenses (+S/. 169 million) materials and supplies (+S/. 15 million). On the other hand, there were lower expenses in depreciation and amortization (- S/. 60 million), personnel (- S/. 21 million), interconnection (- S/. 4 million) and other net revenues and expenses (- S/. 32 million), along with the reversion of provision by the Optional retirement program (- S/. 39 million).

Operating Results

Operating results in 3Q09 reached S/. 194 million, which represents an increase of S/. 86 million compared to 3Q08. Operating results in 9M09 was S/. 447 million, 40,2% higher than 9M08. In both cases, the increase is the result of higher revenues and the control of the operating expenses.

Non Operating Results

Non-operating results increased from S/. 79 million in 3Q08 to S/. 116 million in 3Q09, as a result of lower financial expenses in S/. 20 million and higher participation in results of related parts in S/. 18 million.

In 9M09, non-operating results increased S/. 215 million compared to 9M08, due to higher participation in Results of related parties for S/. 169 million and to lower financial expenses of S/. 46 million.

Net Results

Net results reached S/. 246 million in 3Q09, compared to S/. 150 million in 3Q08. In 9M09, Net results also increased in S/. 286 million totalizing S/. 605 million. These increases are mainly related to higher revenues and the best non-operating results.

Balance Sheet

Current Assets reached S/. 1 340 million by 3Q09, a fall of S/. 258 million compared to 2Q09, due to the redemption of the dividends receivable of Telefonica Móviles, resources that were allocated to pay dividends by S/. 400 million. Current liabilities fell in S/. 27 million compared to 2Q09. By 3Q09, current liquidity ratio reached a level of 0.71, lower than that observed in 2Q09 (0.84).

On the other hand, Net fixed assets were S/. 3 326 million, a fall of S/. 63 million compared to 2Q09, as a result of the depreciation of the period.

By 3Q09, Net financial debt reached S/. 3 406 million, S/. 123 million higher than 2Q09. Net Shareholders' Equity summed S/. 3 925 million in 3Q09, which represents a fall of S/. 151 million compared to 2Q09.

CHART 1
TELEFONICA DEL PERU S.A.A.
CONSOLIDATED INCOME STATEMENTS IN NUEVOS SOLES (000) AS OF SEPTEMBER 30th, 2009
(Prepared in Accordance with Peruvian GAAP)

	3T08		3T09		Var. Abs. 3T09-3T08	Var. % 3T09-3T08	9M08		9M09		Var. Abs. 9M09-9M08	Var. % 9M09-9M08
		%		%		%		%		%		%
Total Operating Revenues	944,624	100.0	982,627	100.0	38,003	4.0	2,772,447	100.0	2,920,939	100.0	148,492	5.4
Local Telephone service	352,137	37.3	319,595	32.5	(32,542)	(9.2)	1,071,883	38.7	978,720	33.5	(93,163)	(8.7)
Public Telephones	105,027	11.1	111,769	11.4	6,742	6.4	335,252	12.1	331,466	11.3	(3,786)	(1.1)
Internet	207,050	21.9	217,958	22.2	10,908	5.3	593,482	21.4	624,994	21.4	31,512	5.3
Long Distance	75,613	8.0	69,646	7.1	(5,967)	(7.9)	232,022	8.4	214,296	7.3	(17,726)	(7.6)
Data and Information Technology	89,261	9.4	101,825	10.4	12,564	14.1	236,227	8.5	282,495	9.7	46,268	19.6
Circuits and Interconnection Service	94,869	10.0	88,667	9.0	(6,202)	(6.5)	272,202	9.8	288,116	9.9	15,914	5.8
Subscription TV ^{2/}	16,664	1.8	48,681	5.0	32,017	192.1	21,401	0.8	125,120	4.3	103,719	484.6
Others	4,003	0.4	24,486	2.5	20,483	511.7	9,978	0.4	75,732	2.6	65,754	659.0
Total Operating Cost and Expenses	836,516	88.6	788,753	80.3	(47,763)	(5.7)	2,453,711	88.5	2,474,101	84.7	20,390	0.8
Interconnection Expenses	143,860	15.2	136,505	13.9	(7,355)	(5.1)	409,517	14.8	405,277	13.9	(4,240)	(1.0)
Personnel	110,269	11.7	68,555	7.0	(41,714)	(37.8)	309,888	11.2	288,575	9.9	(21,263)	(6.9)
General and Administrative ^{2/}	263,822	27.9	318,133	32.4	54,311	20.6	758,980	27.4	927,818	31.8	168,838	22.2
Depreciation and Amortization	243,678	25.8	224,402	22.8	(19,276)	(7.9)	757,762	27.3	697,334	23.9	(60,428)	(8.0)
Management Fee	9,173	1.0	8,496	0.9	(677)	(7.4)	31,078	1.1	24,745	0.8	(6,333)	(20.4)
Materials and Supplies	44,478	4.7	38,726	3.9	(5,752)	(12.9)	109,649	4.0	124,605	4.3	14,956	13.6
Provisions	16,774	1.8	19,287	2.0	2,513	15.0	55,903	2.0	55,503	1.9	(400)	(0.7)
Voluntary Retirement Program	-	-	(8,048)	(0.8)	(8,048)	-	-	-	(38,707)	(1.3)	(38,707)	-
Others Net	4,462	0.5	(17,303)	(1.8)	(21,765)	(487.8)	20,984	0.8	(11,049)	(0.4)	(32,033)	(152.7)
Operating Income	108,108	11.4	193,874	19.7	85,766	79.3	318,736	11.5	446,838	15.3	128,102	40.2
Interest Revenues	8,394	0.9	6,470	0.7	(1,924)	(22.9)	18,456	0.7	14,492	0.5	(3,964)	(21.5)
Interest Expenses	(78,706)	(8.3)	(58,386)	(5.9)	20,320	(25.8)	(226,603)	(8.2)	(180,325)	(6.2)	46,278	(20.4)
Exchange Gain (Loss)	516	0.1	1,514	0.2	998	193.4	(5,966)	(0.2)	(2,399)	(0.1)	3,567	(59.8)
Participation of affiliates results ^{3/}	148,826	15.8	166,492	16.9	17,666	11.9	305,679	11.0	474,991	16.3	169,312	55.4
Non Operating Results	79,030	8.4	116,090	11.8	37,060	46.9	91,566	3.3	306,759	10.5	215,193	235.0
Income before Taxes and Participations	187,138	19.8	309,964	31.5	122,826	65.6	410,302	14.8	753,597	25.8	343,295	83.7
Worker's Participation	(10,170)	(1.1)	(16,726)	(1.7)	(6,556)	64.5	(24,679)	(0.9)	(39,793)	(1.4)	(15,114)	61.2
Income tax	(27,460)	(2.9)	(47,014)	(4.8)	(19,554)	71.2	(66,634)	(2.4)	(109,294)	(3.7)	(42,660)	64.0
Net Income	149,508	15.8	246,224	25.1	96,716	64.7	318,989	11.5	604,510	20.7	285,521	89.5

1/ In order to make the comparison, the Financial statements are presented as if the merger with Telefónica Móviles Peru Holding S.A.A (TMPH) had been done on January 1st, 2007, although it was officialy on December 31st, 2008.

2/ Belongs to TV Subscription service included in packaged "Duos" and "Trios" products. Administrative and general expenses include Wholesale TV service provided by Telefónica Multimedia S.A.C. to Telefonica del Peru

3/ Belongs to results of the following affiliates: Star Global Com S.A.C., Telefónica Móviles S.A., Servicios Globales de Telecomunicaciones S.A.C., Telefónica Servicios Digitales S.A.C., Telefónica Servicios Comerciales S.A.C., Telefónica Servicios Integrados S.A.C., Telefónica Multimedia S.A.C. Media Networks Latin America S.A.C. Results are considered up to January 13th de 2009, because on January 14th, the company was sold to Telefónica Internacional S.A.

CHART 2
TELEFONICA DEL PERU S.A.A.
CONSOLIDATED BALANCE SHEET IN NUEVOS SOLES (000) AS OF SEPTEMBER 30th, 2009
(Prepared in Accordance with Peruvian GAAP)

ASSETS						LIABILITIES AND SHAREHOLDERS' EQUITY					
	3Q09	2Q09	1Q09	4Q08	3Q08		3Q09	2Q09	1Q09	4Q08	3Q08
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and Banks	102,618	166,470	136,748	84,745	337,487	Overdrafts	3,949	2,358	10,059	8,523	9,178
Accounts receivable-Net	937,007	908,782	788,116	742,037	733,025	Accounts payable	537,871	543,347	535,335	669,509	459,378
Accounts receivable - Affiliated company	25,257	31,653	31,964	74,447	11,003	Other Accounts payable	691,838	743,912	727,197	694,793	785,089
Dividends receivable ^{3/}	-	149,993	-	-	-	Bank Loans ^{2/}	-	-	69,921	67,893	257,173
Other Accounts receivable	84,769	66,127	59,792	17,647	22,829	Commercial Papers ^{2/}	34,893	-	-	39,816	39,258
Materials and Supplies	87,685	92,062	81,446	79,699	53,274	Current portion of Bonds ^{2/}	172,377	171,754	169,510	281,988	251,866
Prepaid taxes and expenses and others	102,898	183,179	244,450	258,404	198,141	Current portion of Long-term Debt ^{2/}	434,683	441,675	537,702	351,815	381,201
Total Current Assets	1,340,234	1,598,266	1,342,516	1,256,979	1,355,759	Total Current Liabilities	1,875,611	1,903,046	2,049,724	2,114,337	2,183,143
Other Accounts Receivable- Long term	3,785	3,785	3,785	3,769	2,677	BONDS ^{2/}	2,140,875	2,145,338	1,989,714	1,945,997	2,011,211
LONG-TERM INVESTMENTS	1,589,295	1,419,227	1,447,170	1,588,492	1,649,597	LONG-TERM DEBT ^{2/}	725,591	690,974	657,385	841,536	804,822
DEFERRED CHARGES	80,334	82,544	84,755	86,965	57,838	GUARANTY DEPOSITS AND OTHERS	55,864	56,388	55,334	54,823	54,845
PROPERTY, PLANT	16,723,021	16,618,443	16,493,040	16,482,349	16,275,848	DEFERRED LIABILITIES DUE TO INCOME TAXES AND WORKERS PARTICIPATION	414,865	454,874	498,913	529,203	613,941
Accumulated Depreciation	(13,396,970)	(13,229,365)	(13,036,960)	(12,886,982)	(12,669,740)	DEFERRED EARNINGS - NET	25,609	26,319	26,894	27,791	29,224
	3,326,051	3,389,078	3,456,080	3,595,367	3,606,108	SHAREHOLDERS EQUITY					
Write-off Provision	(6,400)	(6,400)	(6,400)	(6,400)	(9,800)	Capital Stock	2,878,643	2,877,748	2,877,748	2,880,019	2,880,019
	3,319,651	3,382,678	3,449,680	3,588,967	3,596,308	Additional Capital	83,405	84,300	84,414	253,516	253,516
NET INTANGIBLE ASSETS	2,830,045	2,866,657	2,913,277	2,963,916	3,000,981	Legal Reserve	149,626	149,626	149,626	101,912	101,912
						Freely distributable reserves	229,967	249,407	249,407	242,528	242,528
TOTAL ASSETS	9,163,344	9,353,157	9,241,183	9,469,088	9,663,160	Other reserves	(21,222)	(23,709)	27,600	49,631	16,878
						Retained Earnings	604,510	738,846	574,424	427,795	471,121
						TOTAL SHAREHOLDERS' EQUITY	3,924,929	4,076,218	3,963,219	3,955,401	3,965,974
						TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	9,163,344	9,353,157	9,241,183	9,469,088	9,663,160

1/ In order to make the comparison, the Financial statements are presented as if the merger with Telefónica Móviles Peru Holding S A A (TMPH) had been done on January 1st, 2007, although it was officially on December 31st, 2008

2/ It includes net passive position of financial derivatives instruments.

3/ Belongs to declared dividends of affiliate Telefónica Móviles S.A. paid on July 2009

CHART 3
TELEFONICA DEL PERU S.A.A.
Statistical Data, End of Period Figures

	3Q08	4Q08	1Q09	2Q09	3Q09	Var. Abs 3Q09 -3Q08	3T09/ 3Q08
FIXED TELEPHONY							
Lines Installed	2,707,699	2,672,034	2,668,325	2,581,260	2,573,340	(134,359)	(5.0)
Lines in Service (1)	2,535,338	2,506,631	2,479,580	2,446,922	2,406,074	(129,264)	(5.1)
Lines in Service per Employee (Telefónica del Perú) (2)	614	615	606	584	571	(43)	(7.0)
Lines in Service per 100 inhabitants (%)	9.0	8.9	8.9	8.7	8.5	(0.5)	(5.6)
BASIC TELEPHONY							
Lines in Service	2,352,987	2,323,621	2,292,901	2,258,035	2,224,123	(128,864)	(5.5)
PUBLIC TELEPHONES							
Lines in Service (3)	161,140	163,725	168,731	171,931	167,271	6,131	3.8
BROADBAND							
Lines in Service (4)	668,951	697,458	718,004	744,048	761,644	92,693	13.9
SUBSCRIPTION TV							
Lines in Service (5)	659,182	654,537	680,927	703,239	723,357	64,175	9.7
TRAFFIC							
Local Traffic- Minutes (000) (6)	777,977	703,149	669,305	665,544	589,051	(188,926)	(24.3)
Long Distance- Minutes (000) (7)	336,587	360,957	327,204	330,979	343,233	6,646	2.0
NUMBER OF EMPLOYEES							
Telefónica del Perú (2)	4,126	4,073	4,090	4,187	4,214	88	2.1

(1) It includes Basic, Public and Rural Telephony, without Cellular phones

(2) Since June 2008 a transfer of 216 employees from T. Móviles to TDP and in April 09, 47 people transferred from Telefonica Servicios Comerciales (TSC) to TDP.

(3) It includes Fixed and Mobile Public Telephony, Fixed and Mobile Rural Telephony. .

(4) It includes Residential Speedy, Speedy Business, Giga ADSL and Cablenet and since 2006, optical fiber accesses,

(5) It includes Subscription TV, Satellite DTH TV, as well as 510 thousand acceses from Telefonica Multimedia and 15 thousand acceses from Star Global Com. Likewise, for comparative use, the invoiced plant in service for satellite and DTH TV has been standardized

(6) It includes invoiced Fixed-Fixed Traffic (voice and internet), Mobile-Fixed and Fixed-Mobile.

(7) It does not include prepaid cards, includes plans of minutes in packages.