ICT's IN SPANISH HOUSEHOLDS

Wave 22 Survey Panel

4th Quarter 2008 October-December

GOBIERNO DE ESPAÑA
MINISTERIO DE INDUSTRIA, TURISMO Y COMERCIO
SECRETARÍA DE ESTADO DE TELECOMUNICACIONES Y PARA LA SOCIEDAD DE LA INFORMACIÓN

HIGHLIGHTS

In the fourth quarter of 2008 Spanish households spent €3.268 billion on ICT services

Household expenditure on landline telephony, mobile telephony, Internet and Pay TV was €3.268 billion in the fourth quarter of 2008, which represents a year on year increase of 6.7% and is €206 million more than in the same period of the previous year. The results obtained indicate that in general and for the technologies studied, penetration of these services increased during 2008 and more intense use was made of them.

By services, the generalised increase was proportionately higher for the Internet, which accounted for 15.5% of the total expenditure

The year on year increase in expenditure on the four services analysed was proportionately higher for the Internet (10%), which increased its weight in the total expenditure on ICT services to 15.5% in this fourth quarter of 2008, at the expense of both telephony services, particularly mobile telephony.

The number of minutes of landline telephony calls per household and month rose by 5.4%, whilst average expenditure increased 5.6%, reaching €30.10.

Expenditure on landline telephony showed a year on year increase of 6.5% in the fourth quarter of 2008. Each household used an average of 213 minutes per month and spent €30.10, which represents average year on year increases of 11 minutes and €1.60 a month.

Expenditure on mobile telephony continued its upward trend with a year on year growth of 6%

Each household spent an average of €1.80 more than a year ago, with average monthly expenditure reaching €39.10 in the fourth quarter of 2008, compared with €37.30 for the same period in 2007.

The monthly expenditure per household on the Internet was €26.00

ADSL technology accounted for 76.6% of the Internet expenditure, which is proportionally higher than last year, while cable slightly increased its share to 22.6% Expenditure on Basic Telephone Network continued to fall, recording what is now a very minor proportion of 0.8% of the total. Monthly Internet expenditure per home stood at €26.00, only €0.30 less than last year

There was a year on year increase in expenditure on Pay TV of close to 7%, with a decrease of €2.70 per month and household

With a recent increase in the number of households with Pay TV to around 900,000 households, concentrating particularly on the use of ADSL technology, expenditure fell to €30.50 per household per month in the fourth quarter of 2008. Among the reasons for the decrease is the registration of new households in the third quarter of the year with a lower monthly expenditure due to promotions offered by operators.

Wave 21
July –Sept. 2008
The sections indicated could not be updated for the last period of 2008, therefore the information of the previous wave/quarter, that is, of the wave **21/third quarter** is shown.

The aforementioned is because this report corresponds to a wave that is not based on questionnaires. Said information is obtained half-yearly, in alternate waves, while information from invoices is collected quarterly, as is the case of this **wave 21/Quarter**.

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1. ATTITUDES TOWARDS NEW TECHNOLOGIES

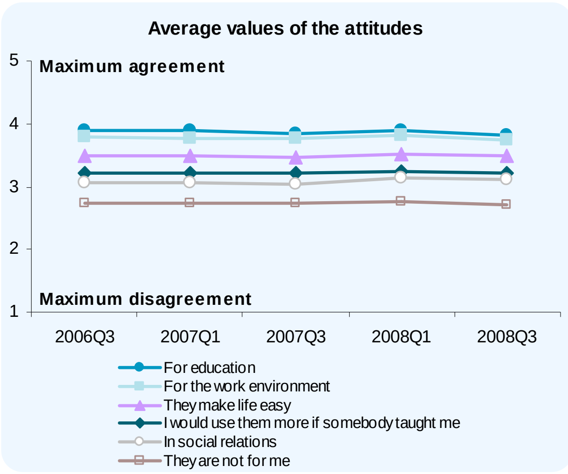
Wave 21
July –Sept. 2008

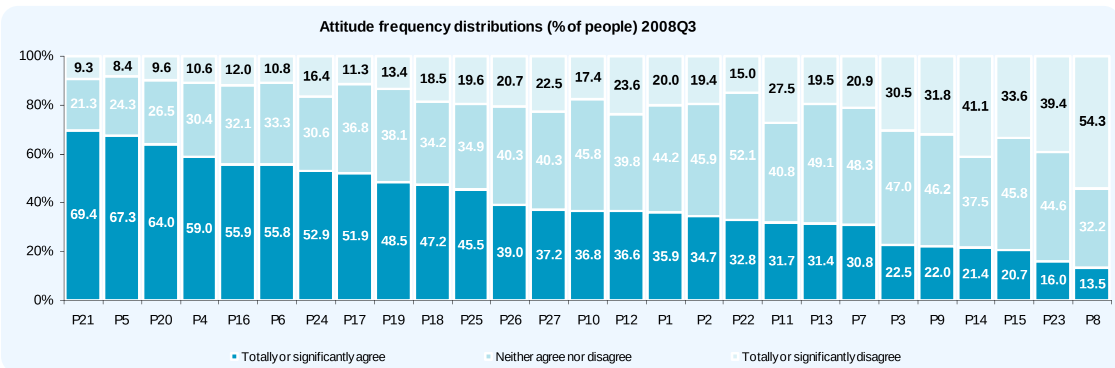
1.1. Attitudes

Average values (1 totally disagree- 5 totally agree)		2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
P21	Awareness of new technologies will be fundamental in education	3.89	3.88	3.84	3.88	**3.82**
P5	Public Administrations should help spread information about new technologies	3.84	3.86	3.81	3.80	**3.81**
P20	Awareness of new technologies is important in the working world	3.79	3.77	3.76	3.83	**3.73**
P4	The new technologies often do not justify their price	3.66	3.65	3.64	3.63	**3.62**
P16	Those who do not adapt to the new technologies are going to find things difficult	3.53	3.55	3.52	3.59	**3.55**
P6	The new technologies help to resolve some problems	3.50	3.51	3.51	3.50	**3.51**
P17	The new technologies make life easier and more comfortable	3.49	3.48	3.47	3.52	**3.48**
P19	The new technologies make it difficult to separate work from leisure time	3.46	3.47	3.48	3.46	**3.44**
P24	My relationship with the new technologies is very practical	3.43	3.44	3.42	3.44	**3.45**
P18	New technologies lead to less interpersonal communication	3.41	3.39	3.42	3.39	**3.38**
P25	I am only interested in technologies that are easy to set up and use	3.32	3.32	3.28	3.32	**3.30**
P27	The Internet presents more disadvantages for children than advantages	3.18	3.22	3.21	3.19	**3.21**
P22	The new technologies do not fulfil all the promises	3.20	3.22	3.21	3.17	**3.21**
P26	I would use more technological products and services if someone taught me	3.21	3.22	3.22	3.23	**3.21**
P10	The NTs allow me to do what I want, when and where I want	3.18	3.17	3.18	3.22	**3.20**
P2	I am interested in the new technologies, but I find them very expensive	3.21	3.15	3.20	3.19	**3.18**
P1	Price is the most important factor for me when choosing	3.18	3.15	3.19	3.20	**3.19**
P7	I am not planning on buying NTs until their prices drop	3.13	3.12	3.12	3.10	**3.13**
P13	I will join in when they have been sufficiently tested	3.15	3.11	3.11	3.08	**3.11**
P12	Some knowledge of new technologies is important for social relations	3.07	3.06	3.05	3.14	**3.11**
P11	I like to try the new technological advances	3.02	3.02	3.01	3.04	**3.01**
P15	I am not sure what the new technologies can do for me	2.83	2.84	2.83	2.81	**2.82**
P9	I will start using new technologies when I see a number of other people doing so	2.81	2.79	2.83	2.80	**2.82**
P3	The new technologies help me to develop as a person	2.83	2.77	2.83	2.87	**2.84**
P14	The new technologies are not for me	2.73	2.74	2.72	2.75	**2.71**
P23	Shopping on the Internet is safe	2.52	2.58	2.60	2.57	**2.63**
P8	I am one of the first to buy NTs in my environment	2.34	2.33	2.36	2.36	**2.38**

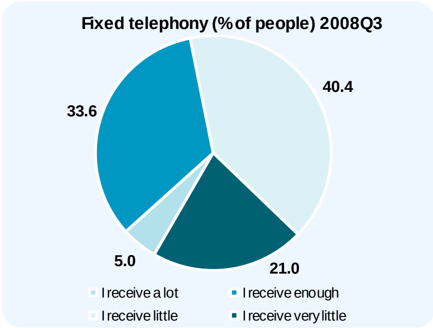
A positive attitude towards new technologies has been maintained with hardly any variations in 2008Q3. A slight increase can be observed in the importance given to new technologies in social relationships.

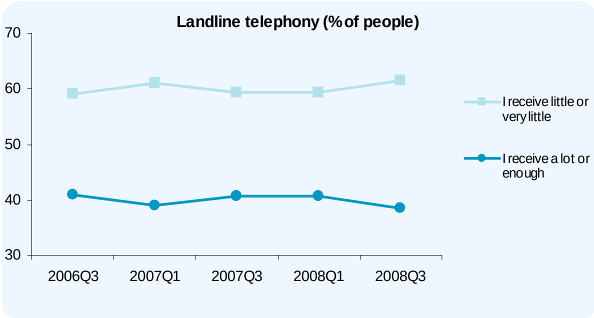
Seven out of ten people consider new technologies fundamental in education. Practically the same percentage acknowledges the role of Public Administrations in helping them to learn about new technologies and their importance in the working world.





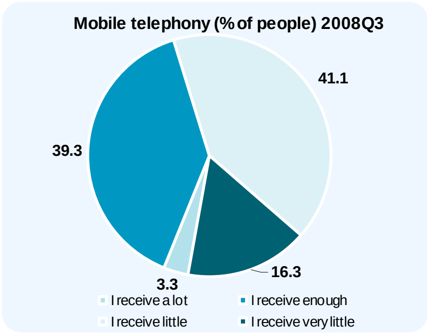
1.2. ICT service price/utility ratio

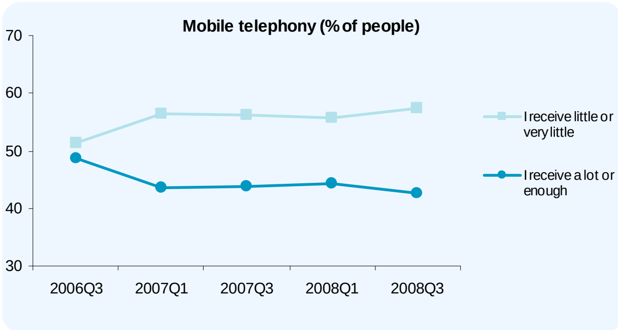




% of individuals	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
I receive a lot	4.4	4.2	4.8	4.6	5.0
I receive enough	36.4	34.8	35.9	36.1	33.6
I receive little	39.8	40.8	40.0	39.1	40.4
I receive very little	19.4	20.2	19.3	20.2	21.0

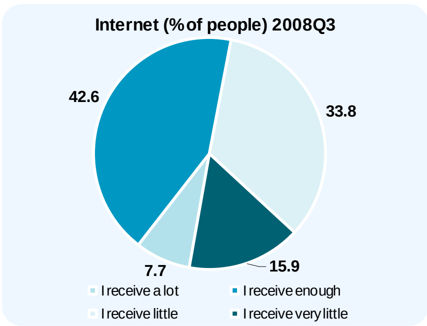
Four out of ten people declared that they receive a lot or enough landline telephony services for their money, compared with six out of ten who considered they receive little or very little.

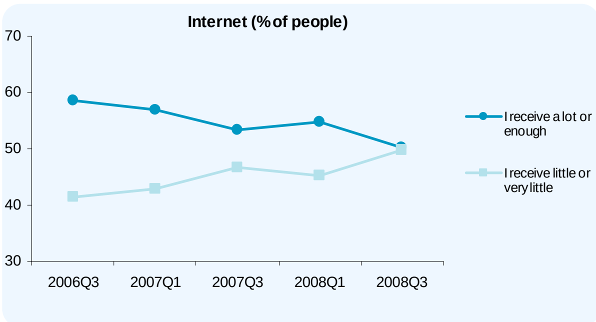




% of individuals	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
I receive a lot	4.5	3.2	4.0	4.2	3.3
I receive enough	44.2	40.4	39.7	40.1	39.3
I receive little	38.3	39.5	39.4	40.5	41.1
I receive very little	13.0	16.9	16.9	15.2	16.3

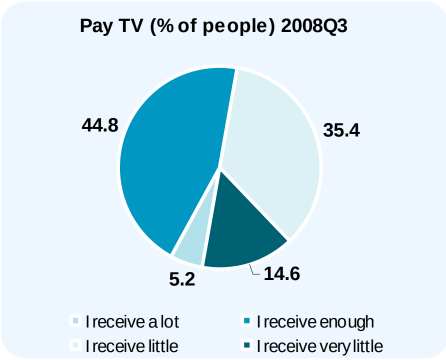
In 2008Q3, 42.6% of individuals aged 15 and over declared that they receive a lot or enough mobile telephony services for their money.

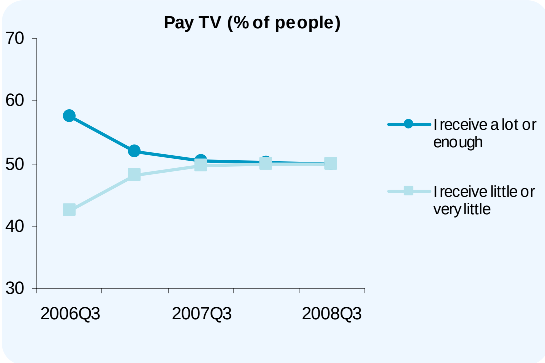




% of individuals	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
I receive a lot	8.8	8.0	9.0	8.4	7.7
I receive enough	49.7	49.0	44.3	46.3	42.6
I receive little	29.8	29.3	32.5	30.3	33.8
I receive very little	11.7	13.6	14.2	14.9	15.9

With regard to the Internet, the positive evaluation of the price/utility ratio dropped during this quarter, with 50.3% who consider that they receive a lot or enough for their money, compared to 49.7% who said they received little or very little.





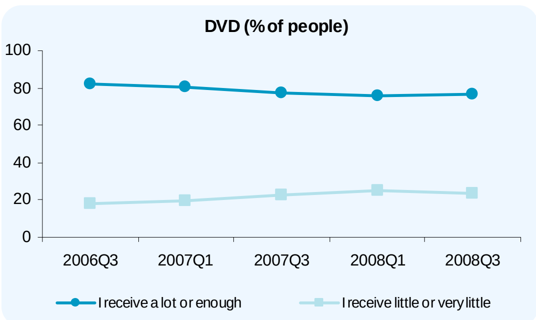
With regard to Pay TV, in this quarter there was a certain polarization in the evaluation of the service provided with respect to price, with slight increases in the percentages of those who considered that they receive a lot and very little. Nevertheless, the balance was still positive, with 50% who considered that they receive a lot or enough value for their money, compared to 35.4% who evaluated it as very little.

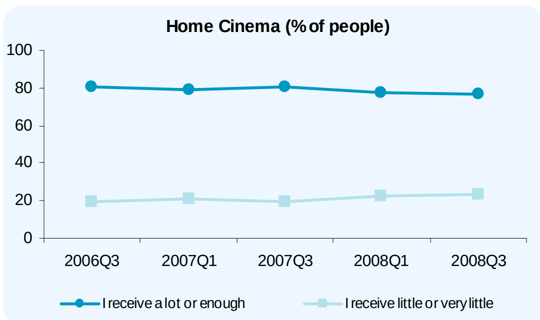
% of individuals	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
I receive a lot	5.6	4.9	4.2	3.7	**5.2**
I receive enough	51.8	47.0	46.1	46.4	**44.8**
I receive little	32.8	32.8	35.6	35.9	**35.4**
I receive very little	9.8	15.4	14.1	14.0	**14.6**

1.3. ICT devices price /utility ratio

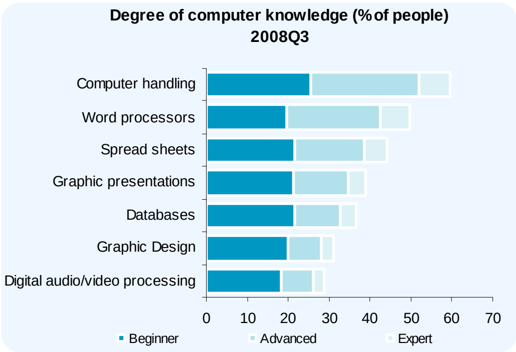
	% of individuals	2005Q3	2006Q1	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
DVD	I receive a lot	13.1	13.1	13.4	12.5	12.8	11.4	**10.8**
	I receive enough	70.1	68.5	68.6	67.8	64.9	64.0	**65.5**
	I receive little	12.2	12.5	12.3	14.2	15.7	16.7	**15.6**
	I receive very little	4.6	6.1	5.8	5.6	6.6	8.0	**8.1**
Home Cinema	I receive a lot	15.9	15.8	11.9	12.9	16.7	13.1	**11.6**
	I receive enough	69.0	67.2	69.0	65.9	63.8	64.7	**65.4**
	I receive little	10.6	12.6	15.6	14.1	14.5	14.2	**14.9**
	I receive very little	4.6	4.4	3.5	7.1	5.0	8.0	**8.1**
Videogames console	I receive a lot	14.6	14.9	12.3	11.4	12.0	11.0	**10.7**
	I receive enough	58.3	57.2	58.6	58.7	56.7	54.2	**56.2**
	I receive little	18.0	19.1	17.7	19.3	22.1	23.0	**19.0**
	I receive very little	9.1	8.9	11.3	10.6	9.2	11.8	**14.1**

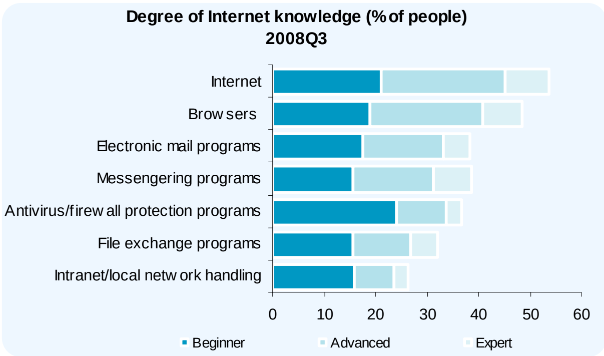
With regard to ICT devices in households, it should be noted that three out of four individuals aged 15 and over declared that they receive a lot or enough for what they pay for DVD (76.3%) and Home Cinema (77.0%), and 66.9% in the case of videogames consoles.





1.4. Degree of computer and Internet knowledge





Six out of ten individuals aged 15 and over declared that they know how to use a computer (59.5%) and half of the Spanish population has text processing skills (49.7%).

In turn, it is worth noting that five out of ten Spaniards have Internet knowledge (53.6%). Also, almost half of the population (48.5%) know how to use a browser.

Computer knowledge

% of individuals (2008Q3)	Beginner	Advanced	Expert	I am not a user	DK/NA
Computer handling	25.6	26.4	7.5	30.6	10
Word processors	19.5	22.9	7.3	38.6	11.7
Spread sheets	21.6	17.1	5.6	43.7	12
Graphic presentations	21.2	13.4	4.3	48.8	12.3
Databases	21.7	11.1	3.9	50.9	12.4
Graphic Design	20.1	8.1	2.8	56.5	12.5
Digital audio/video processing	18.2	8	2.5	58.4	12.9

Internet knowledge

% of individuals (2008Q3)	Beginner	Advanced	Expert	I am not a user	DK/NA
Internet	21.1	24	8.5	35	11.5
Browsers	19	21.9	7.6	39.2	12.3
Electronic mail programs	17.4	15.8	5.1	49.3	12.4
Messengering programs	15.6	15.5	7.5	49.1	12.3
Antivirus/firewall protection programs	24	9.6	3	50.9	12.5
File exchange programs	15.5	11.3	5.3	55.6	12.4
Intranet/local network handling	15.8	7.7	2.8	61.1	12.6

2. ICT EQUIPMENT

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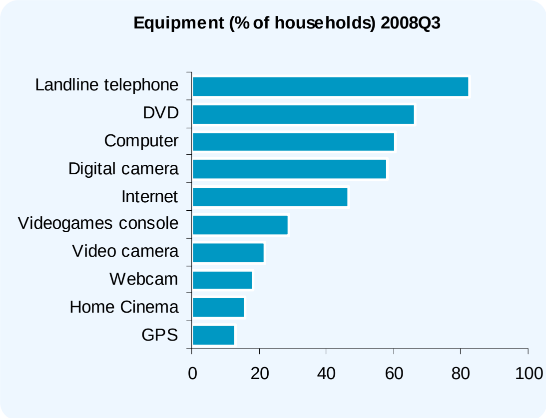
July –Sept. 2008

2.1. Household equipment[1]



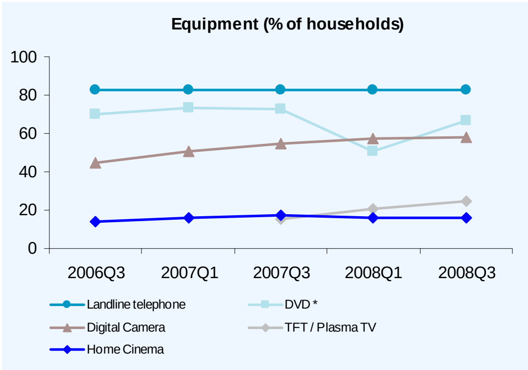
DVDs, PCs and digital cameras are the devices with the greatest penetration in the residential segment.

The greatest growth in 2008Q3 compared to the same period the previous year was recorded by TFT or plasma television sets, with a growth of 9 percentage points, which is now available in one out in four households.

% of households	Landline telephone	DVD *	Computer	Digital Camera	Internet	Video console	Digital video camera	TFT / Plasma TV	Home Cinema	Webcam	GPS
2006Q3	82.8	69.8	54.1	44.4	35.6	24.4	15.7	0.0	14.3	11.4	4.1
2007Q1	82.7	73.5	57.8	50.6	40.0	27.6	17.0	11.7	16.2	15.1	6.2
2007Q3	82.7	72.9	57.8	54.8	42.2	27.2	21.0	15.2	17.6	17.6	9.4
2008Q1	83.0	50.9	59.1	57.1	44.5	28.3	20.5	20.4	15.8	17.0	12.0
2008Q3	**82.8**	**66.5**	**60.4**	**58.2**	**46.8**	**28.8**	**21.7**	**24.4**	**16.0**	**18.2**	**13.0**

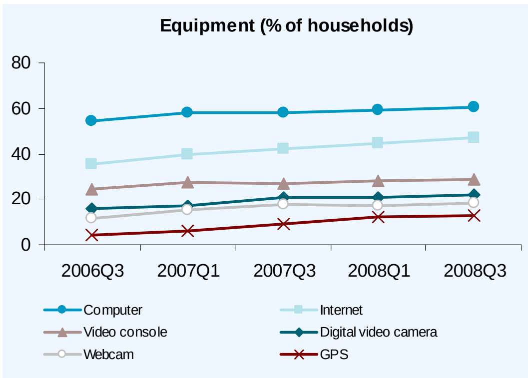
With regard to services, worthy of mention is Internet's growth by 4.6 percentage points compared to 2007Q3, with a penetration in nearly half of Spanish households.

percentage points increase	Landline telephone	DVD	Digital camera	Home Cinema	TFT / Plasma TV
2006Q3 to 2007Q1	-0.1	3.7	6.2	1.9	0.0
2007Q1 to 2007Q3	0.0	-0.6	4.2	1.4	3.5
2007Q3 to 2008Q1	0.3	-22.0	2.3	-1.8	5.2
2008Q1 to 2008Q3	**-0.2**	**15.6**	**1.1**	**0.2**	**4.0**



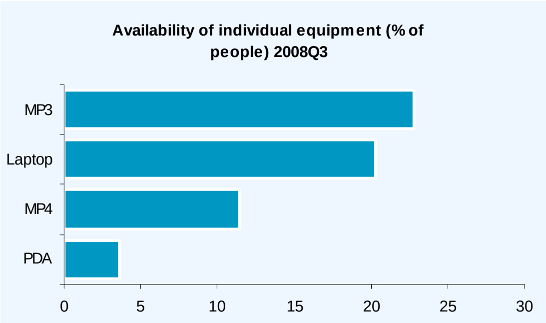
Computer penetration already exceeds 60% of households, maintaining the positive trend that makes it possible to forecast further substantial increases in the number of connected households

percentage points increase	Computer	Internet	Video console	Video camera	GPS	Webcam
2006Q3 to 2007Q1	3.7	4.4	3.2	1.3	2.1	3.7
2007Q1 to 2007Q3	0.0	2.2	-0.4	4.0	3.2	2.5
2007Q3 to 2008Q1	1.3	2.3	1.1	-0.5	2.6	-0.6
2008Q1 to 2008Q3	**1.3**	**2.3**	**0.5**	**1.2**	**1.0**	**1.2**



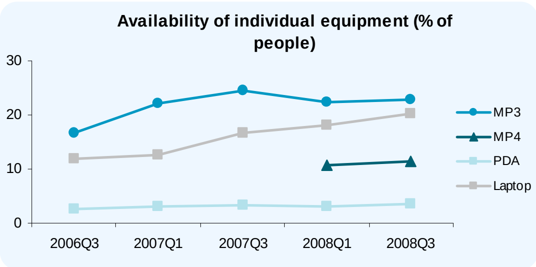
[1] (*) As from 2008Q1, the DVD item on the questionnaire was modified to ask about "DVD/Blue Ray/HD DVD". Consequently, during said period the figure obtained shows a drop that does not correspond to the penetration trend. In subsequent editions, the question is formulated to explicitly include all types of DVD.

2.2. Individual equipment



% of individuals	MP3	MP4	PDA	Laptop
2006Q3	16.7	---	2.7	11.8
2007Q1	22.1	---	3.2	12.5
2007Q3	24.6	---	3.4	16.6
2008Q1	22.3	10.8	3.2	18.2
2008Q3	**22.8**	**11.4**	**3.6**	**20.3**

Laptop computers continue to record significant year-on-year growth, in a marked upward trend that points to their use by one in five individuals, specifically 20.3% of the population aged 15 and over, in the last quarter of the study.

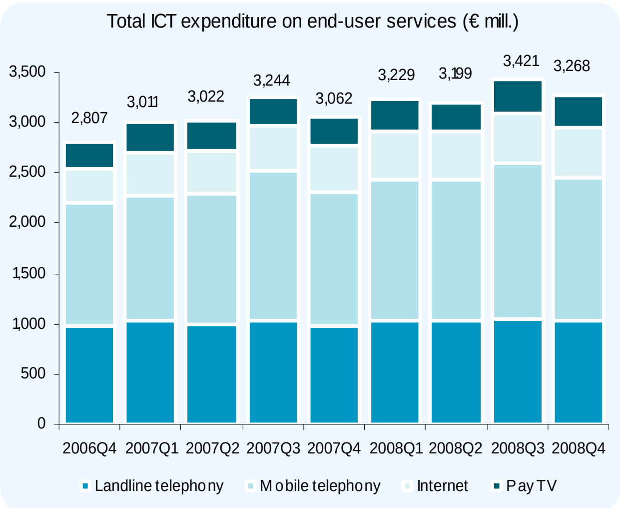


percentage points increase	MP3	MP4	PDA	Laptop
2006Q3 to 2007Q1	5.4	---	0.5	0.7
2007Q1 to 2007Q3	2.6	---	0.2	4.0
2007Q3 to 2008Q1	-2.3	---	-0.2	1.6
2008Q1 to 2008Q3	**0.5**	**0.6**	**0.4**	**2.1**

3. ICT EXPENDITURE

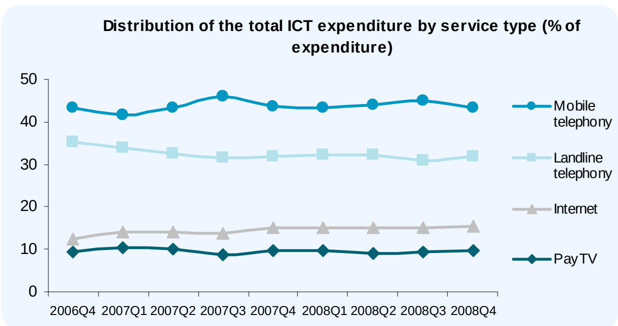
ICT services expenditure (2008Q4)	% of households	No. of households (thousands)	ICT services expenditure (€ millions)
Landline telephony	82.8	13,306	1,037
Mobile telephony	87.0	13,975	1,412
Internet	46.8	7,518	505
Pay TV	24.8	3,881	314
Total	100	16,071	3,268

Total expenditure on final ICT sector services in Spanish households stood at €3.268 billion in 2008Q3, €206 million more than during the same period the previous year, representing a 6.7% year-on-year increase.



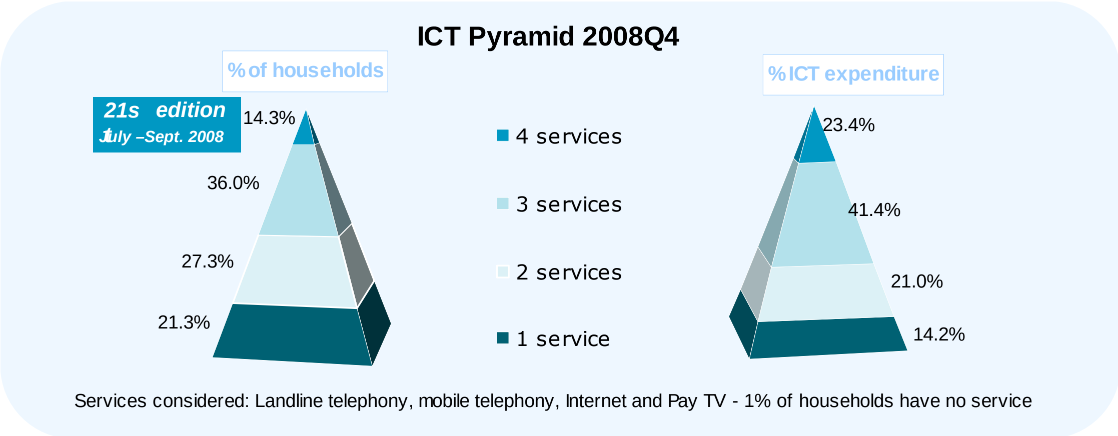
The year on year increase in total expenditure recorded in this quarter was found in the four services analysed, being proportionally higher for the Internet, which rose by €46 million to €505 million. This increase in Internet expenditure increased its weight in the total expenditure on ICT services by 0.5 points, taking it to 15.5%, at the expense of both telephony services, particularly mobile telephony.

Expenditure per ICT service	Millions of euro					Percentage			
	Landline telephony	Mobile telephony	Internet	Pay TV	Total	Landline telephony	Mobile telephony	Internet	Pay TV
2006Q4	986	1,211	348	262	2,807	35.1	43.1	12.4	9.3
2007Q1	1,022	1,253	421	315	3,011	33.9	41.6	14.0	10.5
2007Q2	989	1,304	425	304	3,022	32.7	43.2	14.1	10.1
2007Q3	1,024	1,493	444	283	3,244	31.6	46.0	13.7	8.7
2007Q4	974	1,335	459	294	3,062	31.8	43.6	15.0	9.6
2008Q1	1,038	1,397	484	310	3,229	32.1	43.3	15.0	9.6
2008Q2	1,028	1,401	478	292	3,199	32.1	43.8	14.9	9.1
2008Q3	1,055	1,533	512	321	3,421	30.8	44.8	15.0	9.4
2008Q4	**1,037**	**1,412**	**505**	**314**	**3,268**	**31.7**	**43.2**	**15.5**	**9.6**



However, three quarters of the total expenditure on ICT services in the residential market corresponded to sum of both telephony services, 43.2% for mobile telephony and 31.7% for landline telephony. Pay TV remained stable in percentage terms, accounting for around 10% of the total expenditure.

4. ICT SERVICES PYRAMID



Households with the most equipment, those using between 3 and 4 services, represented 36% and 14% of the total households respectively. Therefore, taken together, they represented more than 50% of the total, while in terms of consumption, they accounted for 65% of the total expenditure. In the previous year they made up 45% of households and accounted for 62% of the total expenditure.

4.1. Percentage of households according to the number of services

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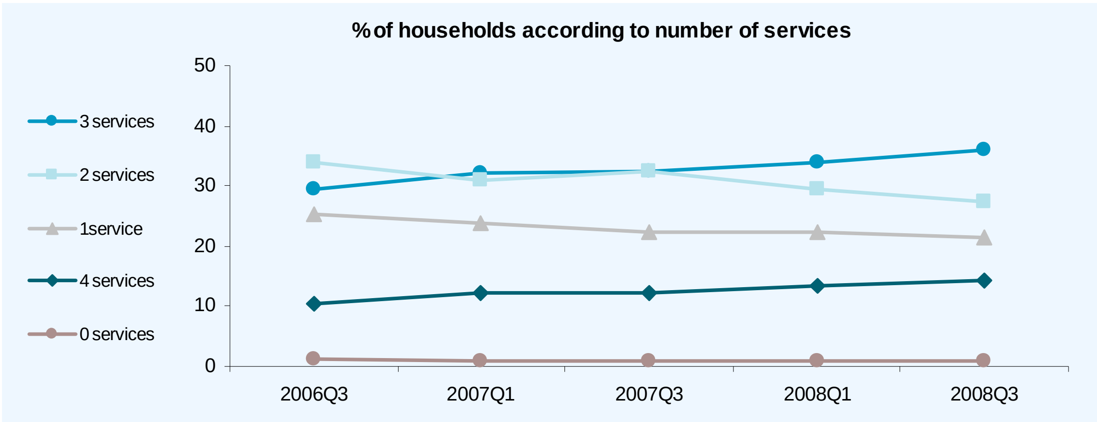
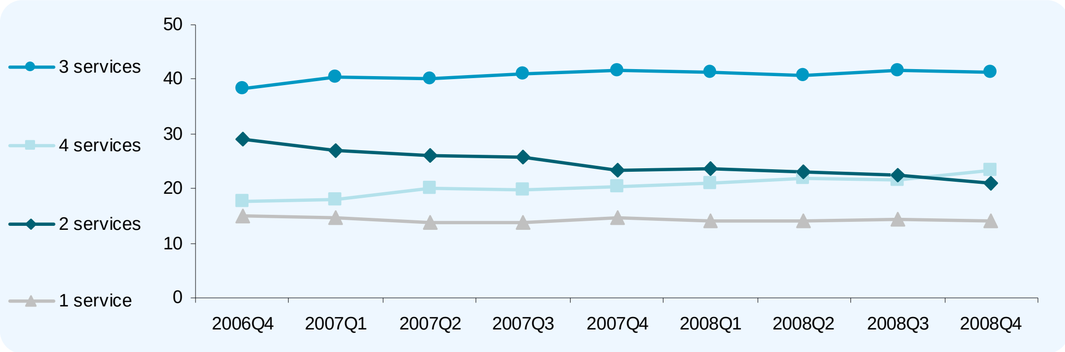
July –Sept. 2008



The growing trend in the percentage of households with three and four ICT services contracted was accentuated in 2008Q3 with year-on-year increases greater than those of previous years: 3.5 and 2.2 additional percentage points for those of three and four services, respectively.

% of households	2006Q1	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
4 services	10.3	10.4	12.1	12.1	13.3	14.3
3 services	29.1	29.4	32.1	32.5	33.9	36.0
2 services	34.8	34.0	31.1	32.4	29.5	27.3
1 service	25.0	25.2	23.8	22.2	22.3	21.3
0 services	0.8	1.1	0.9	0.9	1.0	1.0

4.2. Percentage of expenditure according to number of services



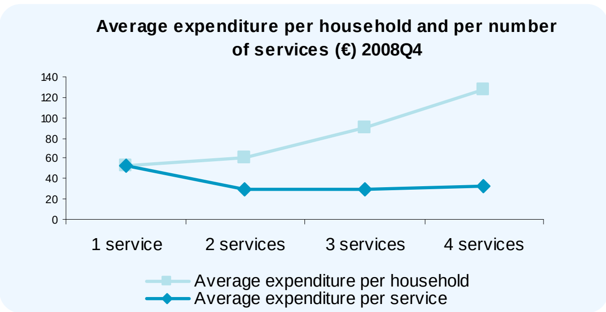
The expenditure by households with four services (23.4%) exceeded those with two services (21%) for the first time, as a consequence of opposing trends in both household types, both in percentage of households and in expenditure, with the numbers reducing for those households with two services and increasing for those with four.

% of expenditure	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
4 services	17.8	18.1	20.1	19.8	20.5	20.9	22	21.7	**23.4**
3 services	38.2	40.3	40	41	41.5	41.2	40.7	41.5	**41.4**
2 services	29.0	26.8	26	25.6	23.4	23.7	23.1	22.4	**21.0**
1 service	15.0	14.8	13.9	13.7	14.6	14.2	14.2	14.4	**14.2**

4.3. Evolution of average monthly expenditure per household and number of services

Average expenditure (€)	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
1 service	41.8	45.1	42.5	48.4	48.7	49.5	48.9	55.6	**52.3**
2 services	59.9	62.8	61.1	61.9	53.5	62.4	60.3	67.6	**60.6**
3 services	90.9	91.4	91.2	99.0	94.7	94.4	92.5	94.8	**90.4**
4 services	120.4	109.0	121.1	127.8	125.0	122.1	127.3	124.6	**128.3**

Monthly expenditure per household showed a €7 year-on-year increase in 2008Q3 in households with one service, €4 in those with two, and €3 and in those with three and four services, respectively. By contrast, households with three services registered a €4 decrease in monthly expenditure per household.



For those households with two or three services, average expenditure per contracted service was €30 per service including VAT. For those with four services, the expenditure per service was €32, and it was €52 for those with a single service.

Average expenditure (€)	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
1 service	41.8	45.1	42.5	48.4	48.7	49.5	48.9	55.6	**52.3**
2 services	29.9	31.4	30.6	31.0	26.8	31.2	30.1	33.8	**30.3**
3 services	30.3	30.5	30.4	33.0	31.6	31.5	30.8	31.6	**30.1**
4 services	30.1	27.3	30.3	31.9	31.3	30.5	31.8	31.2	**32.1**

5. LANDLINE TELEPHONY

5.1. Total expenditure and distribution by concept[2]

In the last quarter of 2008, the total landline telephony market increased by 6.5% compared to the same period of the previous year, reaching €1.037 billion.

€ millions	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
Traffic	423	420	406	407	394	429	436	434	439
Add - ons	125	146	153	159	173	68	65	66	67
Monthly fee	611	649	651	664	632	776	777	800	786
Discounts	-173	-193	-221	-207	-224	-236	-250	-245	-255
Total exp	986	1,022	989	1,024	974	1,038	1,028	1,055	1,037

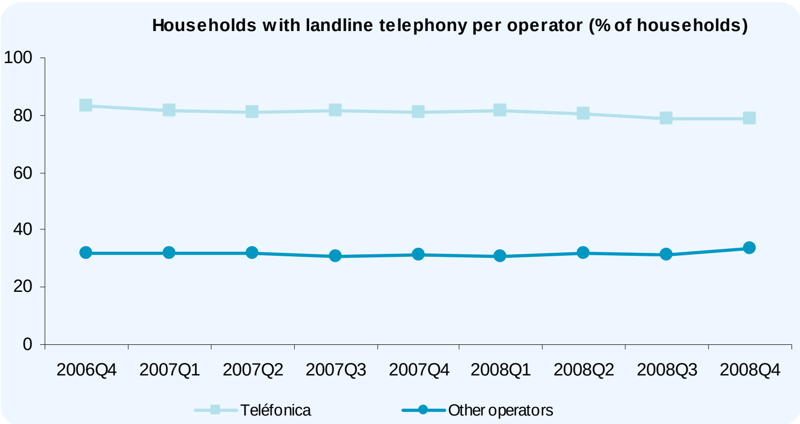
Consumption in calls increased 11.4% in one year reaching €439 million, while subscription fees increased by 24.4% to €786 million. The discounts applied by the landline telephony service operators also increased by 13.8%, reaching €255 million.

2 As from the first quarter of 2008, the classification of expenditure for a commercial landline telephony + ADSL Internet package was changed, reassigning the expenditure on landline telephony to Monthly Plan and not to Add-on as was done before.

5.2. Households and expenditure per operator

HOUSEHOLDS	Percentage		Absolute (thousands of households)	
	Teléfonica	Other operators	Teléfonica	Other operators
2006Q4	83.5	32.1	10,718	4,118
2007Q1	81.4	31.9	10,768	4,224
2007Q2	81.2	31.8	10,743	4,203
2007Q3	81.4	30.7	10,764	4,062
2007Q4	80.9	31.4	10,700	4,189
2008Q1	81.3	31.0	10,842	4,139
2008Q2	80.3	31.8	10,701	4,246
2008Q3	78.8	31.5	10,487	4,188
2008Q4	78.7	33.3	10,474	4,427

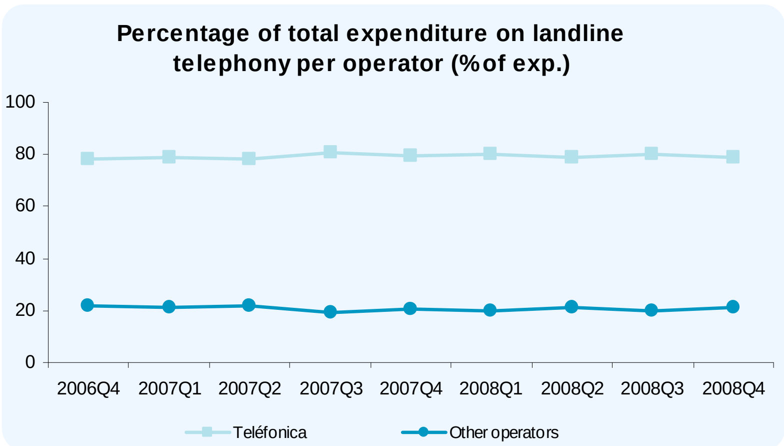
The percentage of landline telephony subscribers through Telefónica de España continued falling in the last quarter of 2008, dropping by 2.2 percentage points with respect to the same period of the previous year.
On the other hand, there was an increase, both in number and percentage, of households that have service contracts with other operators (either indirect access or through a cable operator).



EXPENDITURE	Percentage		Absolute (€ millions)	
	Teléfonica	Other operators	Teléfonica	Other operators
2006Q3	79.2	20.8	794	208
2006Q4	77.9	22.1	768	218
2007Q1	78.8	21.2	806	217
2007Q2	78.3	21.7	774	215
2007Q3	80.5	19.5	824	200
2007Q4	79.5	20.5	775	200
2008Q1	80.3	19.7	833	205
2008Q2	78.7	21.3	810	219
2008Q3	79.9	20.1	843	212
2008Q4	78.6	21.4	815	222

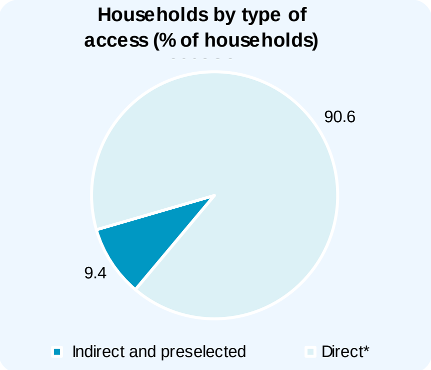
However and despite the fall in the percentage of subscribers compared to the same quarter in the previous year, Telefónica de España obtained an increase in expenditure of 5.2%, reaching €815 million.

The other operators received a total of €222 million, an increase of 11% compared to the fourth quarter of 2007.



5.3. Households, minutes and expenditure per access type[3]

Households by type of access

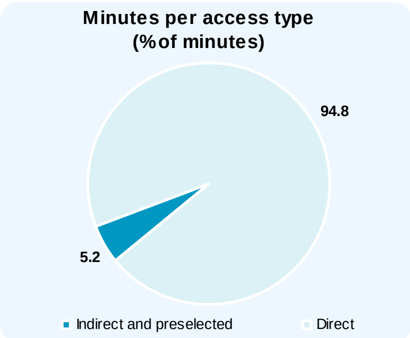


Households	Percentage		Absolute (Thousands)	
	Indirect and preselected	Direct*	Indirect and preselected	Direct*
2006Q4	15.0	85.0	1,924	10,908
2007Q1	12.4	87.6	1,653	11,570
2007Q2	11.7	88.3	1,569	11,654
2007Q3	11.3	88.7	1,499	11,720
2007Q4	11.3	88.7	1,496	11,723
2008Q1	10.9	89.1	1,455	11,878
2008Q2	10.5	89.5	1,403	11,930
2008Q3	9.2	90.8	1,225	12,081
2008Q4	9.4	90.6	1,247	12,059

** only households with direct access*

In the fourth quarter of 2008, there were 250,000 fewer households with indirect access than in the same period of the previous year. By contrast, an increase of 336,000 households with direct access was recorded for the same period.

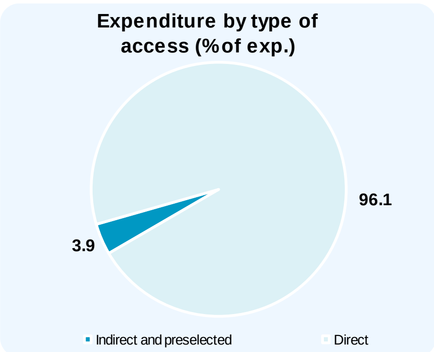
Minutes used by type of access



Minutes	Percentage		Absolute (millions)	
	Indirect and preselected	Direct	Indirect and preselected	Direct
2006Q4	10.5	89.5	812	6,894
2007Q1	9.1	90.9	762	7,571
2007Q2	8.6	91.4	657	6,951
2007Q3	5.2	94.8	382	7,027
2007Q4	5.7	94.3	460	7,557
2008Q1	6.0	94.0	522	8,201
2008Q2	6.0	94.0	526	8,006
2008Q3	4.4	95.6	369	8,013
2008Q4	5.2	94.8	447	8,065

During the last quarter of 2008, of the total number of minutes used by residential landline telephony customers, practically 95% were through direct access, amounting to a total of €8.065 billion minutes consumed.

Expenditure by type of access



Expenditure	Percentage		Absolute (€ millions)	
	Indirect and preselected	Direct	Indirect and preselected	Direct
2006Q4	6.8	93.2	67	919
2007Q1	5.1	94.9	52	970
2007Q2	4.9	95.1	48	940
2007Q3	4.4	95.6	45	979
2007Q4	4.5	95.5	44	930
2008Q1	4.6	95.4	47	990
2008Q2	4.5	95.5	46	983
2008Q3	3.8	96.2	40	1014
2008Q4	3.9	96.1	40	997

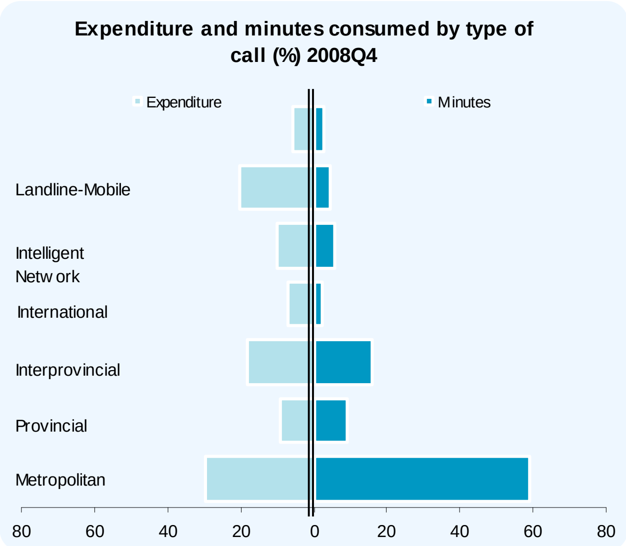
[3] Neither minutes nor associated expenditure for flat rate landline telephony have been included.

Households with direct access spent €997 million in the last quarter of 2008, representing just over 96% of total residential expenditure on landline telephony.

5.4. Minutes and expenditure by type of call

Percentage of *minutes* consumed by type of call

% minutes	Metropolitan	Provincial	Interprovincial	International	Intelligent Network	Landline-Mobile	Rest
2006Q4	60.6	9.6	16.0	1.8	4.8	7.2	0.0
2007Q1	64.0	9.3	15.4	1.9	3.3	6.1	0.0
2007Q2	61.0	10.0	17.1	2.3	3.7	5.9	0.0
2007Q3	59.8	10.4	17.0	2.5	3.6	6.8	0.0
2007Q4	58.0	11.9	17.2	1.9	5.5	5.4	0.1
2008Q1	61.9	10.0	16.2	2.1	4.7	5.1	0.0
2008Q2	60.3	8.6	15.6	2.1	4.8	5.4	3.1
2008Q3	61.6	8.7	14.3	2.4	4.8	5.7	2.6
2008Q4	**58.9**	**9.3**	**16.2**	**2.3**	**5.8**	**4.6**	**2.9**



The sum of minutes used on metropolitan area calls represented 58.9% of all calls made, a similar percentage to that recorded in the last quarter of 2007.

Inter-provincial and provincial calls, with year on year decreases of 1 and 2.3 percentage points respectively, represented 16.2% and 9.3% of all calls made during the fourth quarter of 2008.

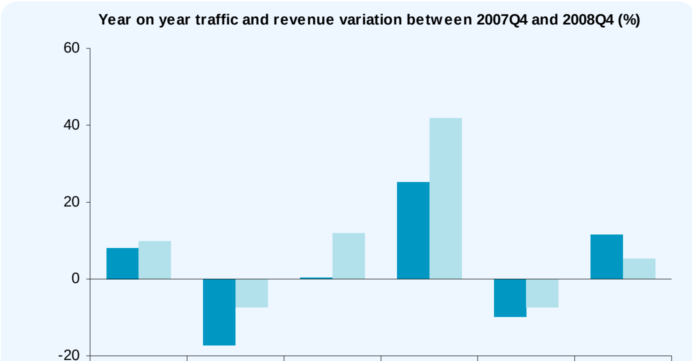
Thirty of every one hundred euro were spent on metropolitan calls and 20 of every 100 euro on landline to mobile calls. The latter, however, continued to represent a smaller proportion of the total expenditure, having dropped from 24.5% to 20.3% of the total between 2007 and 2008.

Percentage of *expenditure* by type of call [4]

% of expenditure	Metropolitan	Provincial	Interprovincial	International	Intelligent Network	Landline-Mobile	Rest
2006Q4	30.7	8.2	15.4	5.4	11.5	28.6	0.2
2007Q1	34.0	8.8	15.8	4.7	10.4	26.1	0.2
2007Q2	30.9	9.1	17.4	5.7	10.9	25.4	0.6
2007Q3	30.2	9.1	16.6	5.6	11.2	27.0	0.4
2007Q4	30.1	10.8	18.1	5.5	10.8	24.5	0.2
2008Q1	32.3	9.9	17.8	5.8	10.3	23.8	0.1
2008Q2	30.0	8.3	16.5	4.8	11.8	23.3	5.3
2008Q3	30.9	8.5	16.1	6.1	11.7	24.3	2.4
2008Q4	**29.7**	**9.0**	**18.2**	**7.0**	**10.1**	**20.3**	**5.6**

[4] As from this quarter, the expenditure on Voice over IP calls (for example Skype) and the expenditure on prepaid cards for calls from landline telephones (typical for international calls) are being recorded. The expenditure on these types is being recorded but it is not possible to record the traffic. Throughout the report, this is grouped with 'others'.

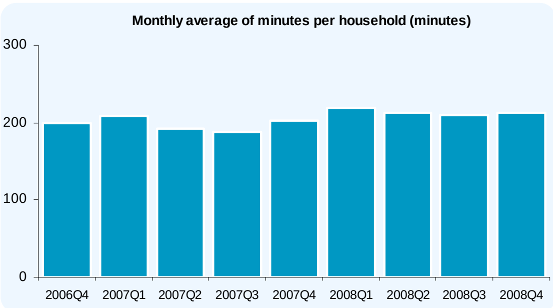
Year on year traffic and revenue variations

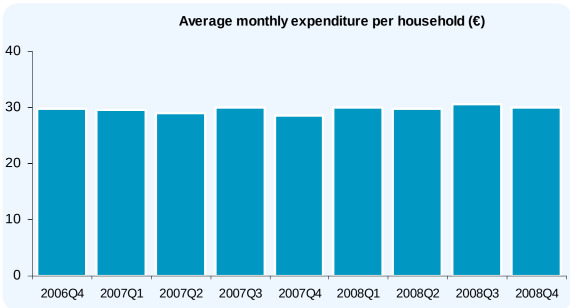


	Metropolitan	Provincial	Interprovincial	International	Landline-mobile	Intelligent Network
Minutes	8	-17.1	0.2	25.3	-9.7	11.7
Revenue	10	-7.2	12.1	41.6	-7.4	5.2

During the last quarter of 2008, the call type that showed the greatest year on year increase was international calls, with 25.3% more minutes and 41.6% more revenue when compared with the same period of the previous year. On the other hand, provincial calls fell by 17.1% in minutes and 7.2% in revenue.

5.5. Minutes and expenditure per household





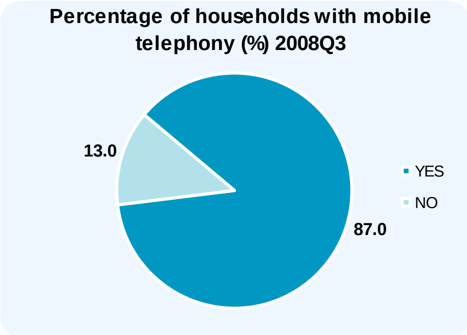
Each household used an average of 213 minutes per month and spent €30.10 per month during the fourth quarter of 2008, representing year on year increases of 11 minutes and an average of €1.60 per month.

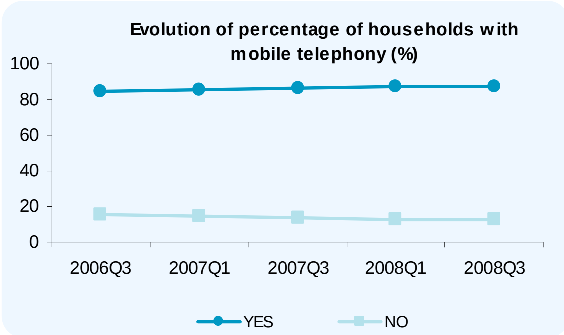
Monthly average per household	2006Q4	2007Q1	2007Q2	2007Q3	2007Q4	2008Q1	2008Q2	2008Q3	2008Q4
Minutes	200	208	192	187	202	218	213	210	**213**
Euro	29.7	29.6	28.9	29.9	28.5	30.1	29.8	30.7	**30.1**

6. MOBILE TELEPHONY

6.1. Households with mobile telephone

Wave 21
July –Sept. 2008



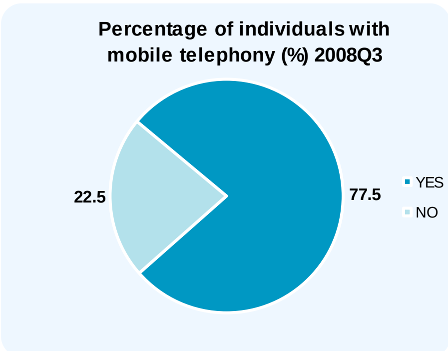


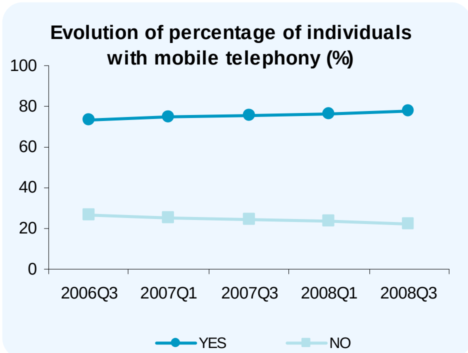
In 2008Q3, 87% of Spanish households had at least one mobile telephone, representing at least 14 million households, which indicates a slight year-on-year increase of 1%.

Households with mobile telephone	Percentage	Absolute (thousands of households)
2005Q3	83.5	12,689
2006Q1	84.3	13,064
2006Q3	84.4	13,082
2007Q1	85.7	13,700
2007Q3	86.5	13,833
2008Q1	86.9	13,961
2008Q3	**87.0**	**13,975**

6.2. Individuals with mobile telephone

Wave 21
July –Sept. 2008

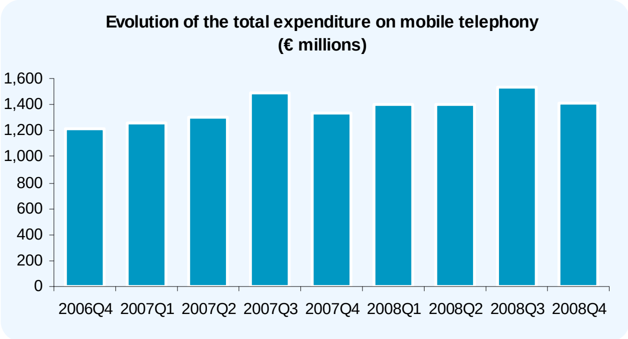




Individuals with mobile telephone	Percentage	Absolute (thousands of individuals)
2005Q3	71.6	26,470
2006Q1	73.0	27,115
2006Q3	73.2	27,170
2007Q1	75.1	28,191
2007Q3	75.2	28,219
2008Q1	76.0	28,717
2008Q3	**77.5**	**29,285**

A significant increase in the number of individuals with an active mobile telephone -used in the last month- was recorded, representing more than one million individuals (1,066,000) with a mobile telephone compared to the same period in the previous year. Therefore, the percentage of the population with a mobile telephony handset that has been used in the last month stands at 77.5 of the population aged 15 and over.

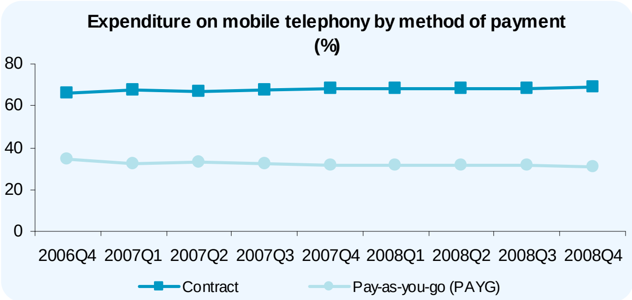
6.3. Total and average expenditure per household on mobile telephony



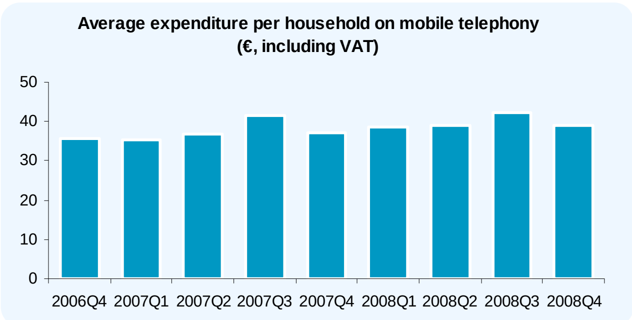
Total expenditure (€ millions)	Contract	Pay-as-you-go (PAYG)	Total
2006Q4	796	415	1,211
2007Q1	850	403	1,253
2007Q2	874	431	1,304
2007Q3	1,010	483	1,493
2007Q4	909	426	1,335
2008Q1	952	445	1,397
2008Q2	959	442	1,401
2008Q3	1,051	482	1,533
2008Q4	972	440	1,412

The total expenditure on mobile telephony fell €121 million with respect to the third quarter of 2008 due to the seasonal effect that is characteristic of the service with increases in consumption in the summer months. Even so, the expenditure on mobile telephony showed a year on year increase of 5.8% compared with the last quarter of 2007.

As regards subscription modalities, payment by contract recorded a year on year increase of 7% and amounted to €972 million, while pay-as-you-go (PAYG) showed a year on year increase of 3.2%, reaching a total of €440 million.



Mobile expenditure (%)	Contract	Pay-as-you-go (PAYG)
2006Q4	65.7	34.3
2007Q1	67.8	32.2
2007Q2	67.0	33.0
2007Q3	67.6	32.4
2007Q4	68.1	31.9
2008Q1	68.1	31.9
2008Q2	68.5	31.5
2008Q3	68.6	31.4
2008Q4	68.9	31.1



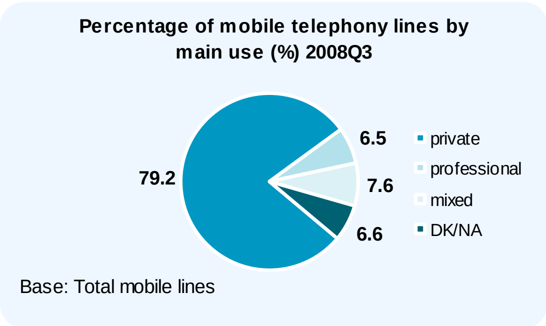
€ (including VAT)	Average expenditure per household
2006Q4	35.8
2007Q1	35.3
2007Q2	36.8
2007Q3	41.7
2007Q4	37.3
2008Q1	38.7
2008Q2	38.8
2008Q3	42.4
2008Q4	39.1

With respect to the average expenditure made on mobile telephony, each household spent €1.80 per month more than a year ago, with the average expenditure being €39.10 per household and month.

Due to greater use of mobile telephony in the summer period, the highest consumption occurred in the third quarter of the year with an average monthly expenditure of around €42 in the last two years.

6.4. Main use of mobile telephone lines [5]

Wave 21
July –Sept. 2008

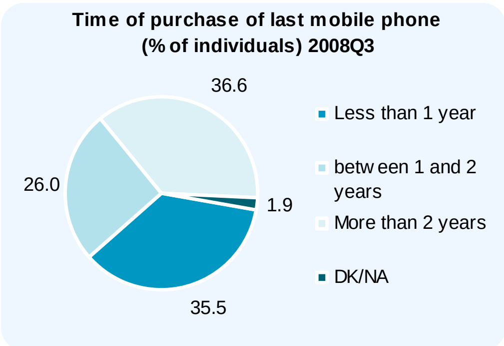


% of lines	private	professional	mixed	DK/NA
2007Q1	79.7	5.9	7.5	6.9
2007Q3	79.2	6.5	7.6	6.6
2008Q1	78.3	5.3	8.3	8.1
2008Q3	79.2	6.5	7.6	6.6

Around 79.2% of mobile telephony lines are dedicated to personal use, compared with 6.5% that are dedicated to professional use and 7.6% to mixed use.

6.5. Time of purchase of last mobile telephone

Wave 21
July –Sept. 2008

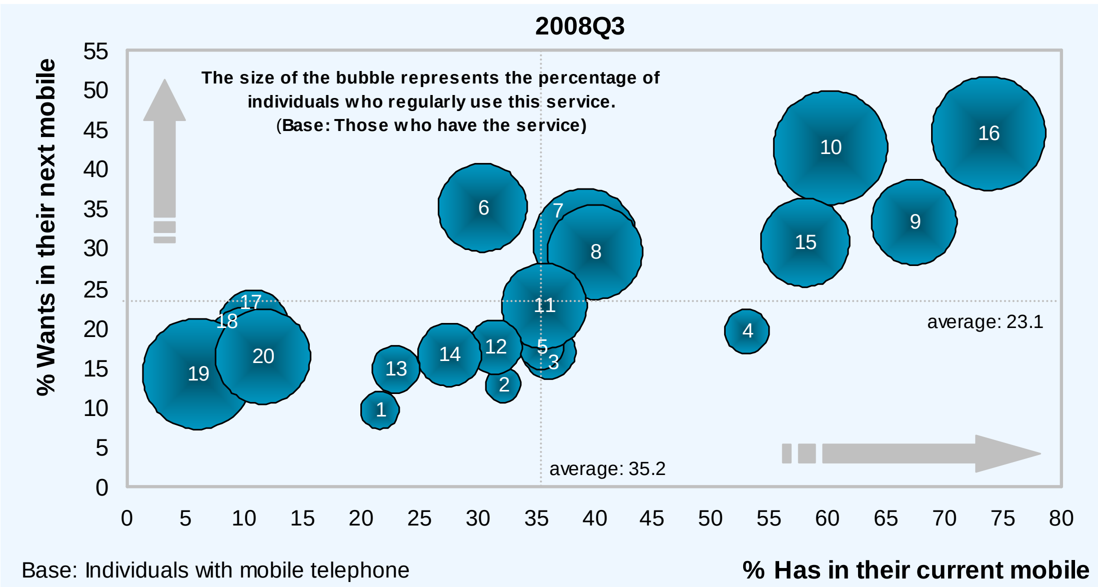


% of individuals	Less than 1 year	between 1 and 2 years	More than 2 years	DK/NA
2006Q3	39.0	27.4	31.3	2.4
2007Q1	39.2	26.5	31.8	2.6
2007Q3	39.2	24.9	32.8	3.0
2008Q1	35.6	27.0	35.0	2.4
2008Q3	35.5	26.0	36.6	1.9

62.6% of individuals declared that their handset was over one year old.

6.6. Current use of the mobile telephone compared to use of the next mobile

Wave 21
July –Sept. 2008



[5] This section refers to the number of mobile telephony lines and not to the number of individual users, as was recorded in reports prior to the 18th Edition.

See the following table with the list of services corresponding to each bubble on the graph

No.	Mobile services (% of individuals) 2008Q3	Has	Wants	Uses
1	Chat	21.7	9.5	6.1
2	WAP Browsing	32.2	12.8	5.6
3	Voice dialling	36.1	16.9	11.7
4	Internet access	53.0	19.6	8.7
5	E-mail	35.5	17.6	8.6
6	handsfree car kit	30.4	35.0	31.8
7	MP3	39.3	30.8	45.5
8	FM Radio	40.1	29.5	37.2
9	MMS	67.4	33.2	29.2
10	Bluetooth	60.2	42.6	52.5
11	Infrared	35.7	22.8	29.8
12	Video messages	31.5	17.5	12.4
13	Video calls	23.0	14.8	9.4
14	GPRS connection	27.6	16.6	16.8
15	Video recording	58.1	30.7	32.0
16	Camera	73.8	44.4	54.3
17	GPS	10.8	20.4	19.6
18	WiFi	10.1	17.6	26.2
19	Touch screen	6.1	14.2	51.4
20	Electronic agenda	11.6	16.3	35.9
	Base:	Has a mobile	Has a mobile	Has service

The camera is the service most often found on users' current mobile handsets; 73.8 have a camera and a little over half of them use it (54.3%). Likewise, around seven in ten mobile telephone users have a multimedia message service, although only three out of ten use it.

The most requested services are Bluetooth and a camera, with percentages of 42% and 54%, respectively. In this wave, touch screens can be highlighted due to their extended use, although penetration levels are low.

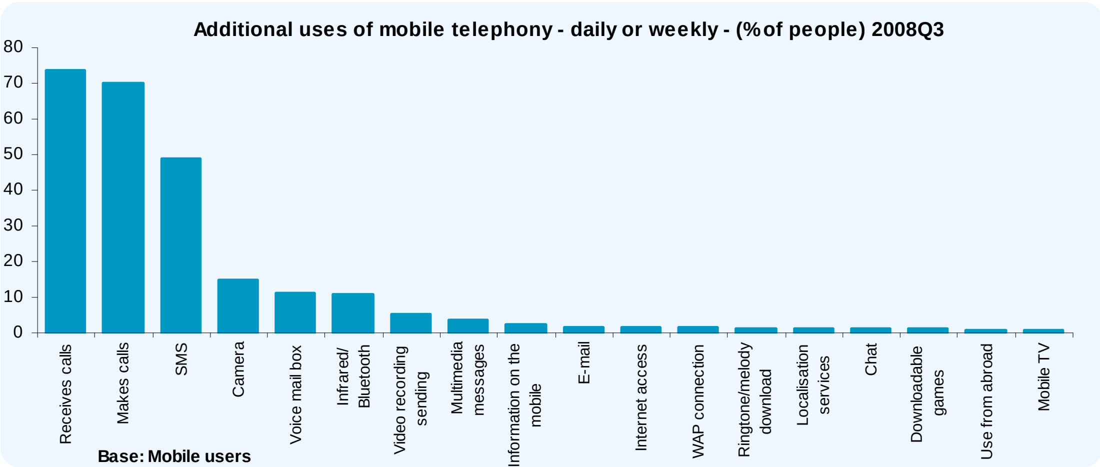
6.7. Main uses of mobile telephony

Wave 21
July –Sept. 2008

% of individuals		2005Q3	2006Q1	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
Receives calls	Daily or weekly	66.3	66.6	69.2	70.2	72.6	72.8	73.6
	Monthly or sporadically	16.8	17.0	15.2	16.3	14.1	14.1	14.5
Makes calls	Daily or weekly	62.2	62.3	65.8	66.3	69.0	69.4	70.1
	Monthly or sporadically	20.0	20.6	17.7	18.9	16.7	16.2	16.7
SMS	Daily or weekly	47.2	45.1	46.0	48.3	48.9	50.5	48.9
	Monthly or sporadically	31.4	31.3	31.6	35.6	33.7	32.9	35.7
Voice mail box	Daily or weekly	12.3	12.2	12.3	12.0	12.4	12.8	11.3
	Monthly or sporadically	22.9	20.0	20.4	26.3	24.0	23.6	24.4
Chat	Daily or weekly	0.5	0.6	1.4	0.9	0.9	1.2	1.1
	Monthly or sporadically	4.2	3.0	2.8	3.2	3.5	3.5	3.0
Messages between groups	Daily or weekly	0.8	1.2	1.4	1.4	1.3	1.5	-
	Monthly or sporadically	4.5	3.6	4.1	6.6	6.1	6.5	-
Internet access	Daily or weekly	0.6	0.8	1.1	0.6	1.3	1.3	1.6
	Monthly or sporadically	3.7	2.6	3.4	3.5	3.8	4.1	4.5
Use from abroad	Daily or weekly	0.4	0.3	0.8	0.4	0.6	0.6	0.7
	Monthly or sporadically	13.9	13.3	14.8	17.9	22.0	19.9	21.6
Information in the mobile	Daily or weekly	2.6	2.0	2.2	2.0	1.6	1.7	2.6
	Monthly or sporadically	10.5	9.2	9.5	12.8	12.6	12.0	12.7
Downloadable games	Daily or weekly	1.1	1.2	1.3	0.9	0.8	0.9	1.1
	Monthly or sporadically	12.3	10.3	12.6	14.9	14.7	14.0	14.6
Multimedia messages	Daily or weekly	2.5	2.6	3.4	1.6	2.9	3.4	3.8
	Monthly or sporadically	21.9	23.5	25.1	33.1	32.5	32.9	36.4
Ringtone/melody download	Daily or weekly	1.3	1.3	2.0	1.6	1.2	1.6	1.4
	Monthly or sporadically	23.7	22.2	21.0	26.9	24.4	23.5	24.4
WAP connection	Daily or weekly	0.6	0.8	1.0	0.7	0.8	1.2	1.5
	Monthly or sporadically	9.7	7.8	9.3	11.1	9.4	8.6	8.4
E-mail	Daily or weekly	0.7	1.1	1.6	1.4	1.2	1.4	1.8
	Monthly or sporadically	4.5	3.6	4.1	5.3	5.5	5.5	5.5
Infrared/ Bluetooth	Daily or weekly	3.9	6.2	8.1	9.1	9.8	10.9	10.9
	Monthly or sporadically	11.5	14.4	17.4	24.9	28.7	30.7	34.8
Video recording sending	Daily or weekly	2.1	3.0	3.5	4.1	4.3	4.3	5.2
	Monthly or sporadically	8.0	9.9	13.7	19.7	24.3	25.4	27.4
Camera	Daily or weekly	9.3	10.5	11.8	12.1	13.2	13.6	14.9
	Monthly or sporadically	19.8	25.1	28.9	38.9	42.4	44.8	47.8
Localisation services	Daily or weekly	0.4	0.3	0.5	0.3	0.2	0.7	1.2
	Monthly or sporadically	3.4	2.6	3.4	3.6	3.6	4.0	3.7
Mobile TV	Daily or weekly	-	-	-	-	-	-	0.7
	Monthly or sporadically	-	-	-	-	-	-	2.4

In 2008Q3, 73.6% of mobile telephony users used their mobile telephone daily or weekly to receive or make calls.
Half of the users used their mobile telephone with that same daily or weekly frequency and during the same period to send or receive SMS messages.

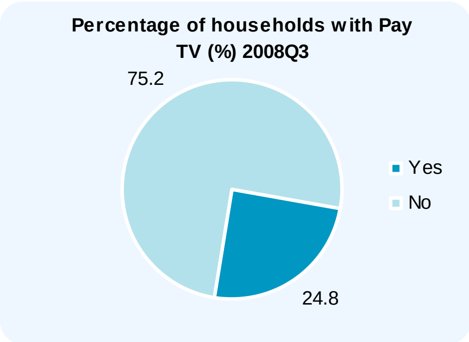
The two basic uses, making and receiving calls, maintains their upward intensive use trend (daily or weekly use), while SMS messages maintain the same level of intensive use as a year ago. Particularly noteworthy is the clear upward trend in the use of data transfer via Bluetooth or infrared and cameras, all of these, to a great extent, with monthly or sporadic frequency.

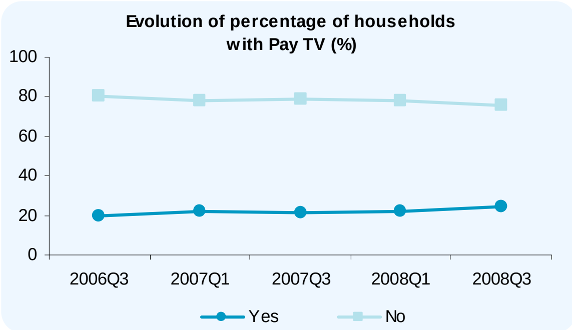


7. PAY TELEVISION

7.1. Households with Pay TV

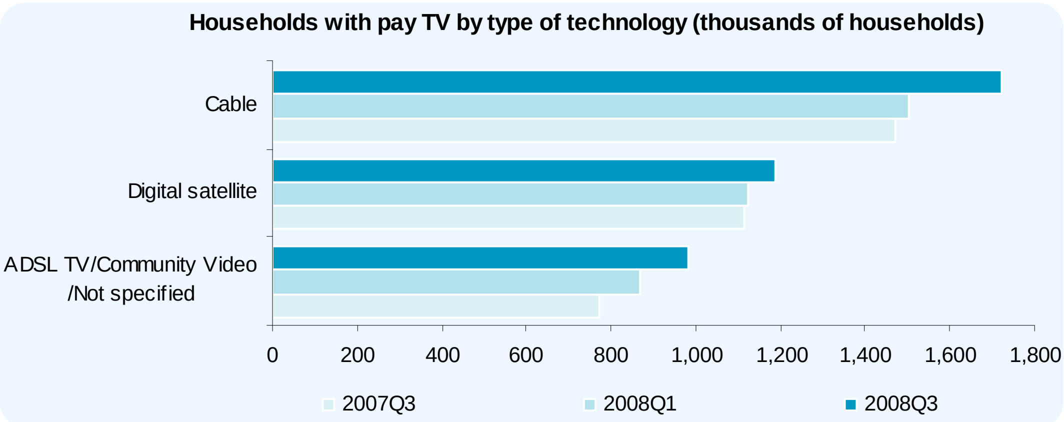
Wave 21
July –Sept. 2008





Households with Pay TV	**Percentage**	**Absolute (Thousands)**
2006Q3	19.9	3,084
2007Q1	22.3	3,563
2007Q3	21.4	3,420
2008Q1	21.9	3,528
2008Q3	**24.8**	**3,981**

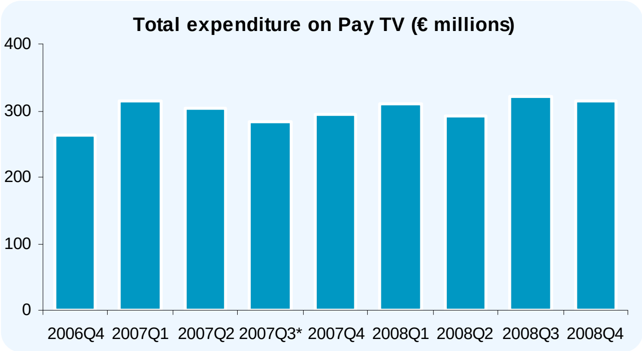
Pay TV penetration approached 4 million households in 2008Q3 with a 16% year-on-year increase, indicating that this service is present in one in every four Spanish households (24.8%).



Thousands of households	**Cable**	**Digital satellite**	**ADSL TV/ Community Video /Not specified**
2006Q1	1,571	1,428	306
2006Q3	1,523	1,236	474
2007Q1	1,536	1,306	635
2007Q3	1,472	1,117	771
2008Q1	1,501	1,122	868
2008Q3	**1,721**	**1,186**	**981**

The most frequent technology used in pay television is cable network, a predominance that has been reinforced in the last year with a 17% increase compared to the same period the previous year. Digital satellite technology is approaching 1,200,000 households and ADSL connection has grown around 27% in the last twelve months, standing at nearly one million households.

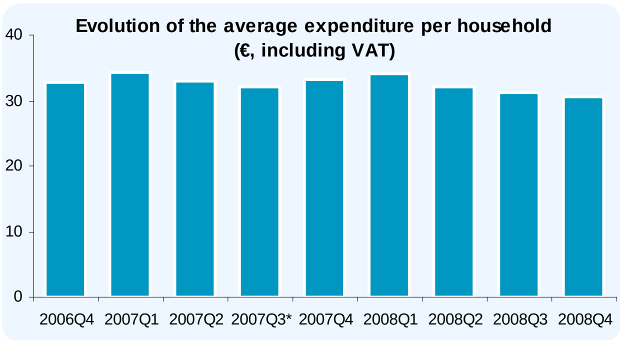
7.2. Total and average expenditure per household on Pay TV



expenditure (€ millions)	subscription	PPV	discounts	Total
2006Q4	257	12	7	262
2007Q1	316	20	21	315
2007Q2	302	12	10	304
2007Q3*	290	8	15	283
2007Q4	299	12	17	294
2008Q1	311	25	26	310
2008Q2	297	15	20	292
2008Q3	332	8	19	321
2008Q4	322	13	21	314

** Data corrected with respect to the report corresponding to wave 17*

During the fourth quarter of 2008, expenditure on Pay TV reached €314 million after deduction of the discounts applied by the operators.
The year on year increase recorded for total expenditure on Pay TV was 6.8%, mainly due to the year on year increase in the subscription of 7.7%. There was also an increase in pay per view (PPV), in this case by €1 million.

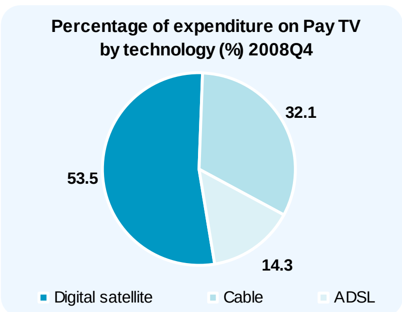


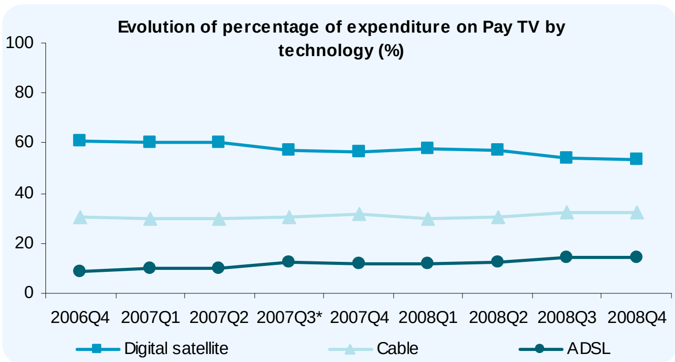
Average expenditure per household	€ (including VAT)
2006Q4	32.8
2007Q1	34.2
2007Q2	32.9
2007Q3*	32.0
2007Q4	33.2
2008Q1	34.0
2008Q2	32.0
2008Q3	31.2
2008Q4	30.5

** Data corrected with respect to the report corresponding to wave 17*

The average expenditure by household on Pay TV fell €2.70 per month compared with the period October-December 2007, and amounted to €30.50 per household in the same period of 2008.

7.3. Expenditure per type of technology





The expenditure on Pay TV for digital satellite technology, although still predominant at 53.5% of the total expenditure, gave way in favour of other technologies such as cable, which increased by 0.3 percentage points in a year and especially ADSL technology, which showed a year on year increase of 2.8 percentage points.

Expenditure (%)	Digital satellite	Cable	ADSL
2006Q4	61.0	30.5	8.5
2007Q1	60.2	29.8	10.0
2007Q2	60.4	29.8	9.8
2007Q3*	57.4	30.2	12.4
2007Q4	56.6	31.8	11.5
2008Q1	57.9	30.0	12.1
2008Q2	56.9	30.5	12.6
2008Q3	53.9	32.1	14.0
2008Q4	**53.5**	**32.1**	**14.3**

Expenditure (€ mill.)	Digital satellite	Cable	ADSL	Total
2006Q4	159	80	22	261
2007Q1	190	94	31	315
2007Q2	183	91	30	304
2007Q3*	163	85	35	283
2007Q4	166	94	34	294
2008Q1	180	93	37	310
2008Q2	166	89	37	292
2008Q3	173	103	45	321
2008Q4	**168**	**101**	**45**	**314**

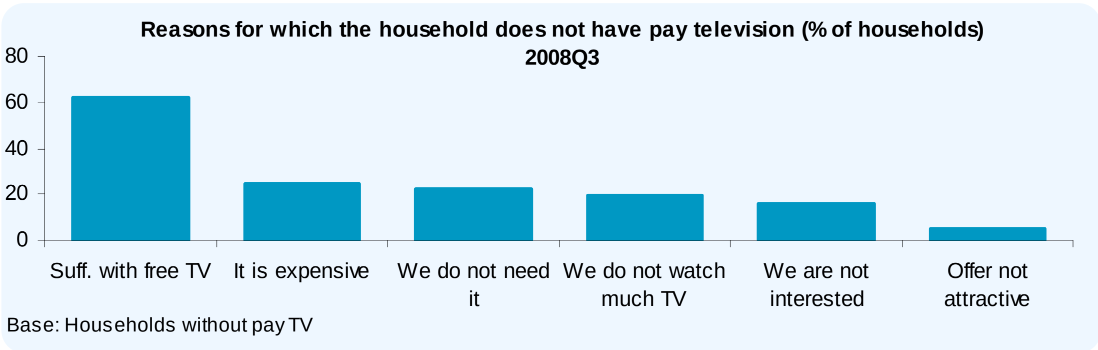
** Data corrected with respect to the report corresponding to wave 17*

7.4. Reasons why a household does not have Pay TV

Wave 21
July –Sept. 2008

% of households	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
Suff. with free TV	62.7	60.8	58.3	59.1	**62.1**
It is expensive	24.9	24.9	24.3	25.6	**24.6**
We do not need it	24.3	24.7	22.7	22.8	**22.7**
We do not watch much TV	22.1	19.8	18.3	19.4	**19.1**
We are not interested	19.5	17.7	16.7	14.7	**16.2**
Offer not attractive	5.2	5.1	5.2	5.6	**5.1**

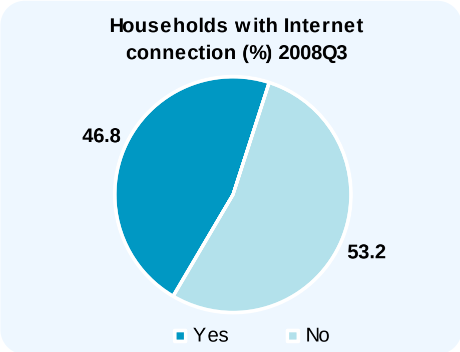
Most households without Pay TV, 62%, declared that the free television currently received is enough, while almost a quarter, 24.6%, declared that they did not have Pay TV because it is expensive.

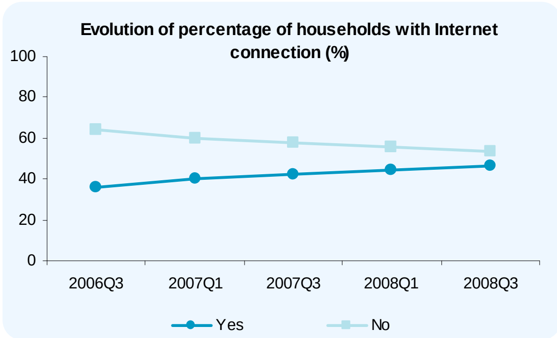


8. INTERNET

8.1. Households with Internet and individual users

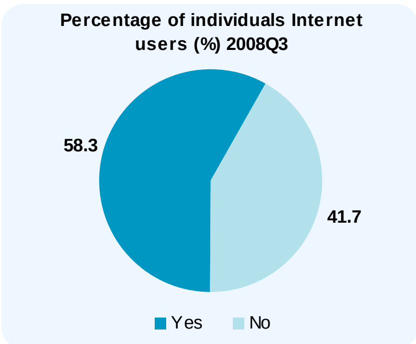
Wave 21
July –Sept. 2008

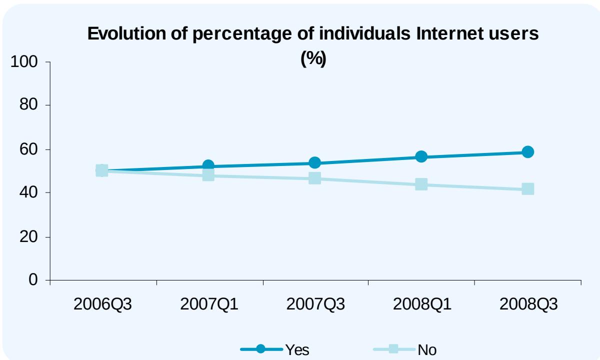




In 2008Q3 more than 7.5 million households had an Internet connection, which represents 46.8% of Spanish households, which is an 11% increase compared to the same period the previous year.

Households with Internet connect.	**Percentage**	**Absolute (thousands of households)**
2006Q3	35.6	5,517
2007Q1	40.0	6,396
2007Q3	42.2	6,754
2008Q1	44.5	7,145
2008Q3	**46.8**	**7,518**



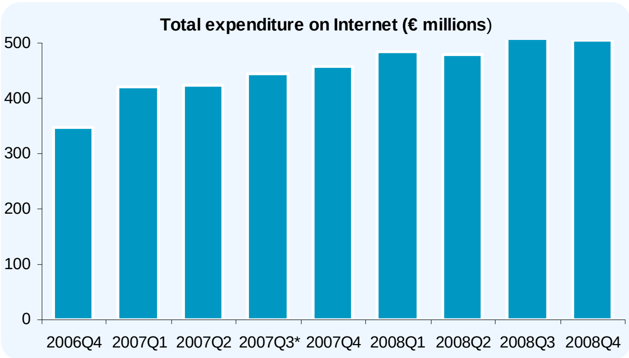


By September 2008 more than 22 million individuals aged 15 and over (therefore, not including children) had used the Internet at some time, accounting for 58.3% of the adult population. A 10% increase in growth rate compared to the same period the previous year was recorded. If individuals aged 10 and over are considered, the figure rises to 23.7 million, accounting for 60% of this population.

Internet Users	**Percentage**	**Absolute (thousands of individuals)**
2006Q3	50.0	18,578
2007Q1	52.4	19,690
2007Q3	53.5	20,097
2008Q1	56.3	21,271
2008Q3	**58.3**	**22,034**

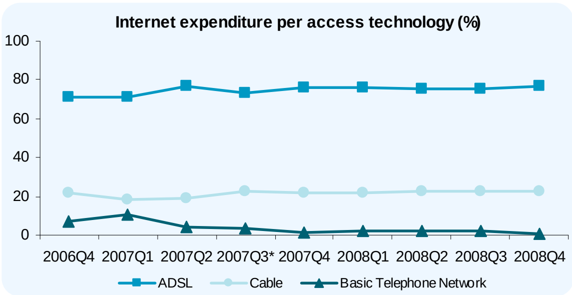
8.2. Total and average expenditure per household on Internet

Expenditure on the Internet continued to rise, reaching a total of €505 million in the fourth quarter of 2008, 10% more than in the same period of the previous year.



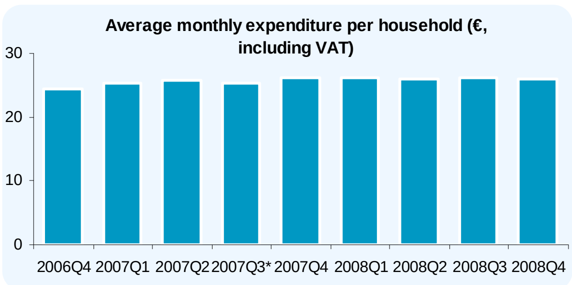
Absolute (€ millions)	ADSL	Cable	Basic Telephone Network	Cable discount	Total - cable discount
2006Q4	246	92	25	15	348
2007Q1	299	90	43	12	421
2007Q2	326	95	18	14	425
2007Q3*	326	117	17	16	444
2007Q4	350	115	8	14	459
2008Q1	368	127	10	21	484
2008Q2	360	134	9	25	478
2008Q3	387	129	9	13	512
2008Q4	**387**	**132**	**4**	**18**	**505**

Expenditure on ADSL grew 11% reaching €387 million, while cable, with a 15% year-on-year increase, stood at €132 million after applying the discounts offered by the operators of this technology, discounts that dropped to values more in line with those of previous years, after the significant growth recorded in the first half of 2008.



Internet expenditure (%)	ADSL	Cable	Basic Telephone Network
2006Q4	70.8	22.1	7.1
2007Q1	71.1	18.5	10.4
2007Q2	76.6	19.0	4.4
2007Q3*	73.4	22.7	3.8
2007Q4	76.3	22.0	1.7
2008Q1	76.0	21.9	2.1
2008Q2	75.3	22.8	1.9
2008Q3	75.6	22.7	1.8
2008Q4	**76.6**	**22.6**	**0.8**

Three quarters of total expenditure on Internet (76.6%) corresponded to ADSL, a slightly higher proportion than the previous year. Also, cable technology slightly increased its proportion in expenditure on end-user services in the Internet market, close to 23%. Meanwhile, Basic Telephone Network technology continued to lose ground, with a now residual expenditure of below 1% of the total.



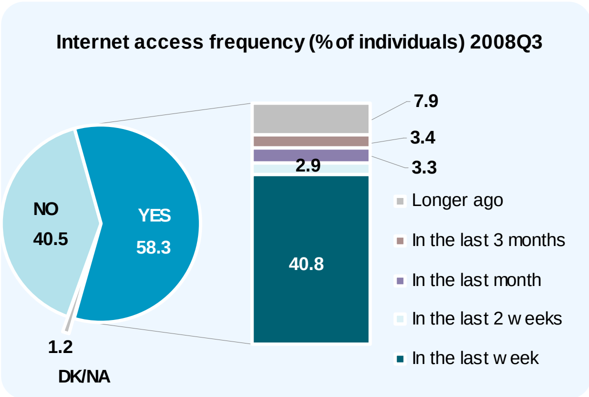
Average monthly expenditure per household	€ (including VAT)
2006Q4	24.4
2007Q1	25.4
2007Q2	25.7
2007Q3*	25.4
2007Q4	26.3
2008Q1	26.2
2008Q2	25.9
2008Q3	26.3
2008Q4	**26.0**

** Data corrected with respect to the report corresponding to wave 17*

The average monthly expenditure per household on the Internet was €26 in the fourth quarter of 2008, amounting to €0.30 less than in the same period of the previous year.

8.3. Frequency of Internet access

Wave 21
July –Sept. 2008

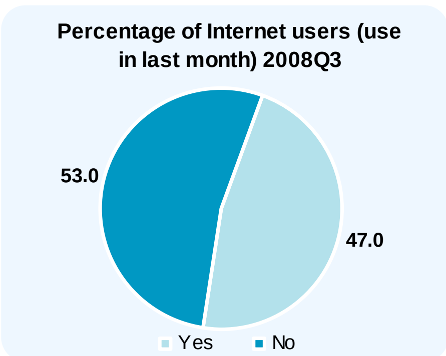


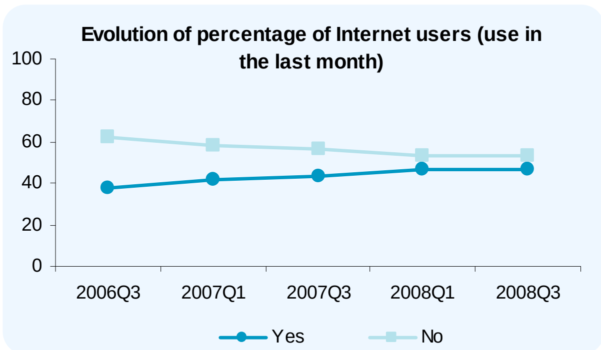
Of the 22,034,000 individuals aged 15 and over who had accessed the Internet on at least one occasion (58.3% of the population aged 15 and over), around 70% were frequent users (at least one access per week).

This group of frequent users represents 40.8% of the population of those aged 15 and over.

Thousands of individuals	Internet access frequency					
	Never	**In the last week**	**In the last 2 weeks**	**In the last month**	**In the last 3 months**	**Longer ago**
2006Q3	18,090	11,338	1,232	1,412	1,375	3,221
2007Q1	17,327	13,409	1,020	1,138	1,067	3,055
2007Q3	16,873	14,250	971	1,069	959	2,848
2008Q1	16,047	15,578	1,194	870	778	2,851
2008Q3	**15,300**	**15,429**	**1,114**	**1,222**	**1,300**	**2,968**

% of individuals	Internet access frequency (accumulated)					
	Never	**In the last week**	**In the last 2 weeks**	**In the last month**	**In the last 3 months**	**Longer ago**
2006Q3	48.7	30.5	33.8	37.6	41.3	50.0
2007Q1	46.1	35.7	38.4	41.4	44.2	52.4
2007Q3	44.9	37.9	40.5	43.4	45.9	53.5
2008Q1	42.4	41.2	44.4	46.7	48.7	56.2
2008Q3	**40.5**	**40.8**	**43.8**	**47.0**	**50.4**	**58.3**



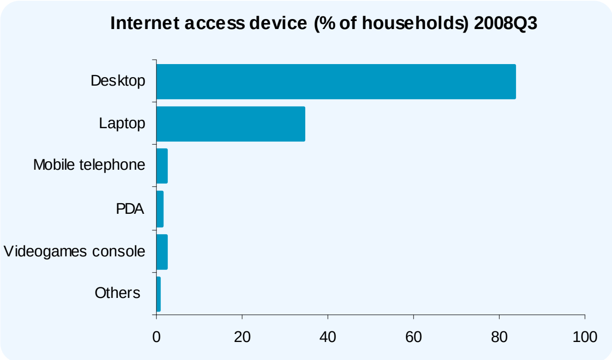


Between July and September 2008 around 17.8 million persons had used the Internet in the last month, which represents 47% of the population aged 15 and over and 80.6% of those who have accessed the Internet at some time.

Internet users (in the last month)	**Percentage**	**Absolute (thousands)**
2006Q1	37.8	14,061
2006Q3	37.6	13,982
2007Q1	41.4	15,568
2007Q3	43.4	16,290
2008Q1	46.7	17,642
2008Q3	**47.0**	**17,765**

8.4. Device and place of Internet access

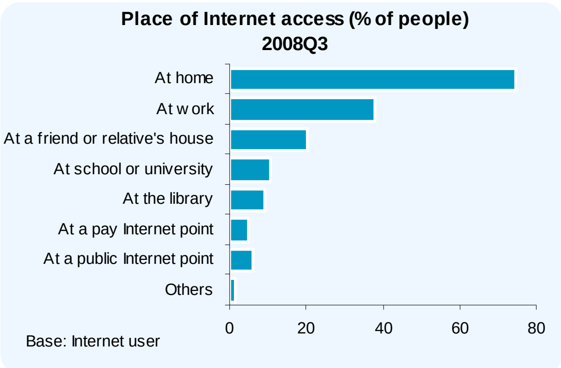
Wave 21
July –Sept. 2008



Desktop computers continue as the most frequently used device to access the Internet in households and are present in 83.5% of these. Nevertheless, laptop computers recorded higher year-on-year increases, and have become the preferred access device for 35% of connected households.

Thousands of households	Desktop	Laptop	Mobile telephone	PDA	Videogames console	Others
2006Q3	4,714	1,143	88	35	10	16
2007Q1	5,474	1,442	86	46	106	3
2007Q3	5,669	1,824	172	61	67	2
2008Q1	6,109	2,197	131	71	156	27
2008Q3	**6,274**	**2,594**	**173**	**96**	**164**	**41**

% of households	Desktop	Laptop	Mobile telephone	PDA	Videogames console	Others
2006Q3	85.4	20.7	1.6	0.6	0.2	0.3
2007Q1	85.6	22.5	1.3	0.7	1.7	0.0
2007Q3	83.9	27.0	2.6	0.9	1.0	0.0
2008Q1	85.5	30.7	1.8	1.0	2.2	0.4
2008Q3	**83.5**	**34.5**	**2.3**	**1.3**	**2.2**	**0.5**



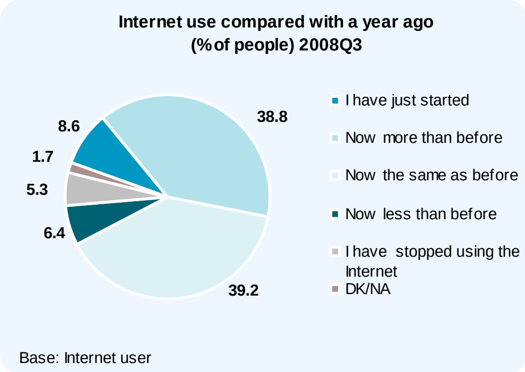
The number of individuals who accessed the Internet from their household reached 16,422,000 in 2008Q3, 74.5% of the population aged 15 and over. Around 8.4 million individuals do so at their work centre, that is, 38% of the population.

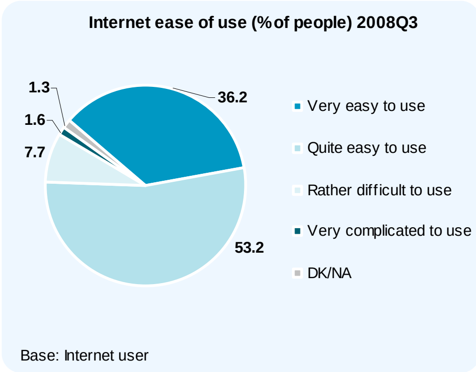
Thousands of individuals	At home	At work	At a friend or relative's house	At school or university	At the library	At a pay Internet point	At a public Internet point	Others
2006Q1	10,343	6,398	3,902	2,534	1,599	1,934	1,183	221
2006Q3	11,205	6,779	3,835	2,270	1,488	1,702	1,148	221
2007Q1	13,195	8,251	4,166	2,504	1,648	1,445	1,181	291
2007Q3	14,548	8,379	4,035	2,226	1,660	1,226	1,309	273
2008Q1	15,445	8,667	3,845	2,408	2,074	1,292	1,278	368
2008Q3	**16,422**	**8,353**	**4,475**	**2,347**	**1,977**	**1,102**	**1,343**	**342**

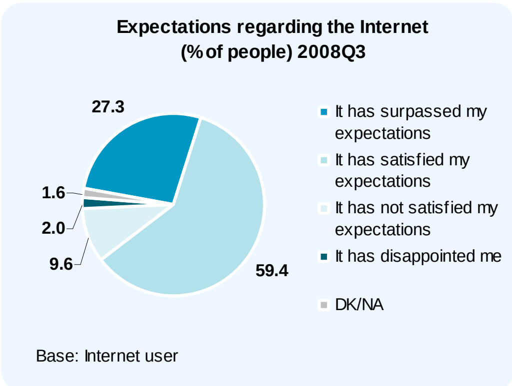
% of individuals	At home	At work	At a friend or relative's house	At school or university	At the library	At a pay Internet point	At a public Internet point	Others
2006Q1	57.0	35.3	21.5	14.0	8.8	10.7	6.5	1.2
2006Q3	60.3	36.5	20.6	12.1	8.0	9.2	6.2	1.2
2007Q1	67.0	41.9	21.2	12.7	8.4	7.3	6.0	1.5
2007Q3	72.4	41.7	20.1	11.1	8.3	6.1	6.5	1.4
2008Q1	72.6	40.7	18.1	11.3	9.8	6.1	6.0	1.7
2008Q3	**74.5**	**37.9**	**20.3**	**10.7**	**9.0**	**5.0**	**6.1**	**1.6**

8.5. Internet use, simplicity and expectations

Wave 21
July –Sept. 2008







The Internet continued to grow as a media that fulfils or exceeds users' expectations, with 86.7% of users declaring that it satisfies or has surpassed their expectations. The perception that they use it with increasing frequency (78% use it the same or more than they did before) also continued to grow among the users. Additionally, it continued to be considered an easy or very easy media to use (according to 89.4% of users).

% of individuals	Comparison with the use of Internet a year ago...					
	I have just started	Now more than before	Now the same as before	Now less than before	I have stopped using the Internet	DK/NA
2006Q3	9.7	34.3	37.0	9.4	7.6	2.1
2007Q1	10.7	38.9	34.8	6.8	6.5	2.2
2007Q3	8.0	40.9	35.8	7.3	5.6	2.4
2008Q1	9.3	39.0	38.1	6.5	5.3	1.8
2008Q3	**8.6**	**38.8**	**39.2**	**6.4**	**5.3**	**1.7**

% of individuals	Based on your Internet experience, would you say that it is...				
	Very easy to use	Quite easy to use	Rather difficult to use	Very complicated to use	DK/NA
2006Q3	34.5	54.5	7.8	1.8	1.4
2007Q1	36.7	52.1	7.9	1.9	1.4
2007Q3	37.0	53.2	7.4	1.0	1.4
2008Q1	36.4	52.7	7.2	2.1	1.6
2008Q3	**36.2**	**53.2**	**7.7**	**1.6**	**1.3**

% of individuals	Based on your expectations of the Internet, you would say...				
	It has surpassed my expectations	It has satisfied my expectations	It has not satisfied my expectations	It has disappointed me	DK/NA
2006Q3	24.0	59.3	12.7	2.4	1.6
2007Q1	27.5	56.6	12.4	1.7	1.9
2007Q3	25.7	59.0	11.2	2.3	1.9
2008Q1	27.9	58.0	10.9	1.5	1.7
2008Q3	**27.3**	**59.4**	**9.6**	**2.0**	**1.6**

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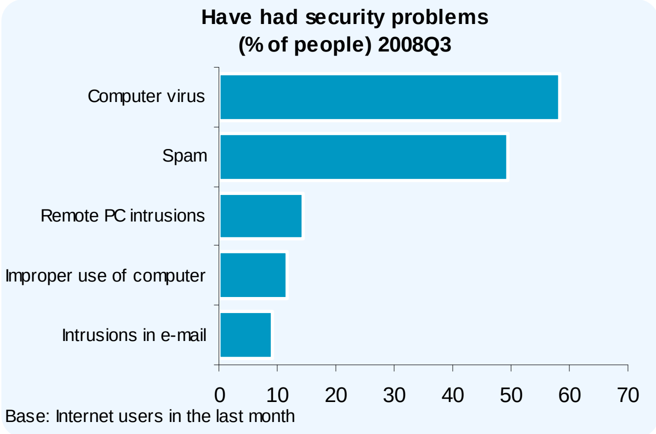
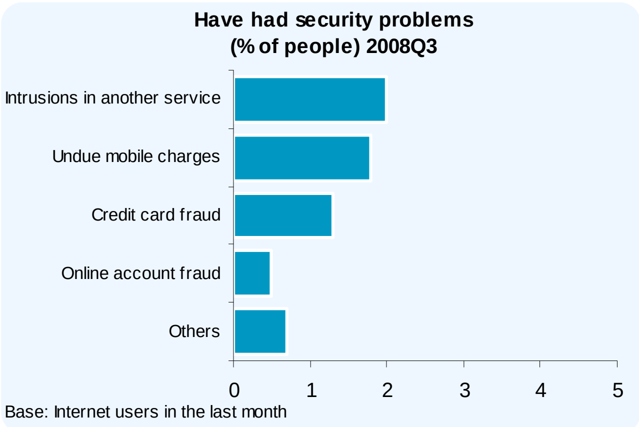
8.6. Technological security problems



In 2008Q3 there was an upturn in security problems among regular Internet users (those who have accessed in the last month). The three most frequent were: computer viruses, undesired e-mails and remote intrusion in computers, which increased by 3, 2.5 and 2.3 percentage points, respectively, compared to the same period the previous year.

% of individuals (users in the last month)	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
Computer virus	57.4	55.5	55.2	54.8	**58.2**
Spam	50.8	49.2	47.0	45.6	**49.5**
Remote PC intrusions	15.7	15.5	12.2	12.6	**14.5**
Improper use of computer	14.4	13.5	11.3	11.8	**11.7**
Intrusions in e-mail	12.5	9.8	9.8	9.2	**9.3**



Other ICT security-related problems, such as, for example, fraudulent use of credit cards, recorded increases during the last year, though all with marginal incidence. Intrusion in other types of services has hardly varied compared to the same period the previous year.

% of individuals (users in the last month)	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
Undue mobile charges	1.8	2.8	1.5	2.4	**1.8**
Credit card fraud	1.2	2.2	0.6	1.5	**1.3**
Intrusions in another service	2.1	2.2	2.1	2.7	**2.0**
Online account fraud	0.5	0.8	0.5	0.7	**0.5**
Others	0.7	1.0	0.5	0.6	**0.7**

8.7. Internet security precautions

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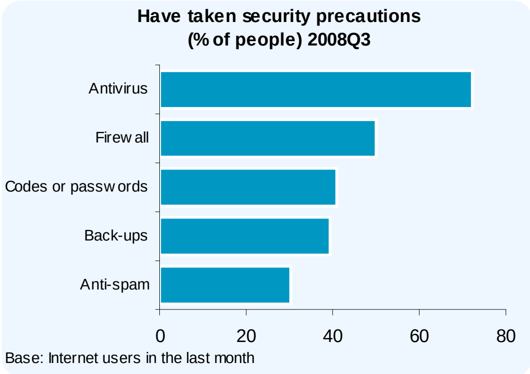
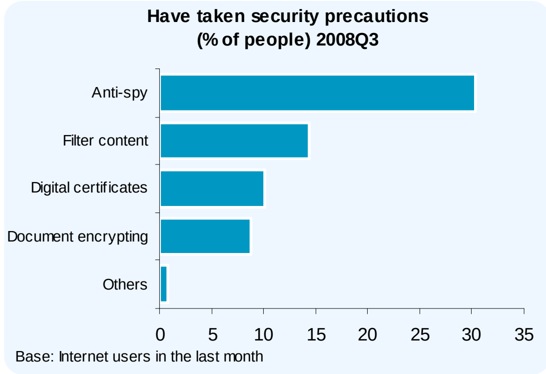




In contrast to the increase in problem incidence, there was a general rise in the use of computer security precautions in 2008Q3 compared to the same period the previous year. This reveals greater Internet knowledge by users and/or awareness of its possible risks.

% of individuals (users in the last month)	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
Antivirus (updated in the last month)	67.9	67.7	71.0	70.5	**72.3**
Firewall	45.2	47.4	47.4	49.6	**50.1**
Codes or passwords	40.0	38.7	39.5	40.3	**41.0**
Back-ups	39.1	38.2	38.5	39.0	**39.4**
Anti-spam	25.5	26.7	27.2	31.2	**30.3**

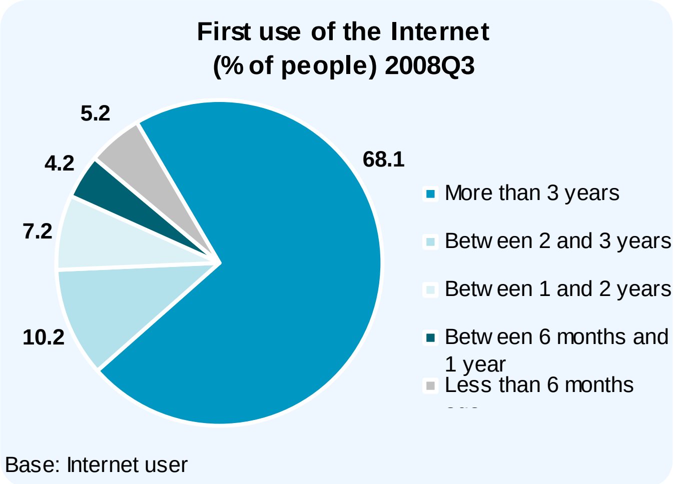
% of individuals (users in the last month)	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
Anti-spy	26.1	26.3	26.6	29.0	**30.4**
Filter content	10.9	11.5	11.7	14.3	**14.4**
Document encrypting	8.3	8.3	9.2	10.1	**8.8**
Digital certificates	6.7	7.8	9.1	10.6	**10.1**
Others	1.0	1.1	0.9	1.1	**0.8**

The anti-spyware programme is the security measure that showed the highest growth in implementation in 2008Q3, up 3.8 percentage points compared to the same period the previous year, reaching 30.4% of Internet users.

Firewalls, content filters and anti-spam programmes follow in magnitude of increase, with increases of around 3 percentage points.

The most widespread precautions, although necessarily under constant evolution, are antivirus programmes updated monthly, which have now reached a penetration of 72.3% among regular Internet users.

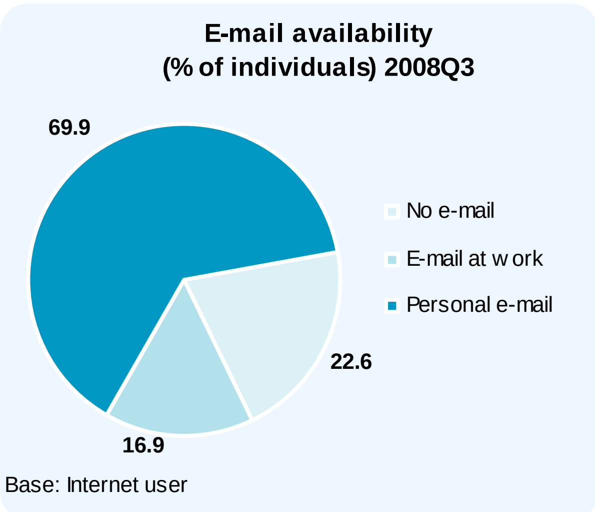
8.8. First use of the Internet and availability of e-mail



Together with the continued expansion in Internet use, a trend towards progressive loyalty of Internet users has also been observed, analysed here based on the number of years individuals have been using this media: In 2008Q3, 15 million users aged 15 and over, 68% of these, had been using the Internet for more than three years.

% of individuals (Internet users)	More than 3 years	Between 2 and 3 years	Between 1 and 2 years	Between 6 months and 1 year	Less than 6 months ago
2006Q3	61.6	13.4	8.8	5.7	6.4
2007Q1	63.8	12.0	9.0	4.8	7.1
2007Q3	68.1	11.2	8.6	3.6	4.3
2008Q1	66.9	10.3	7.7	3.5	6.6
2008Q3	**68.1**	**10.2**	**7.2**	**4.2**	**5.2**

Thousands of individuals	More than 3 years	Between 2 and 3 years	Between 1 and 2 years	Between 6 months and 1 year	Less than 6 months ago
2006Q3	11,453	2,485	1,629	1,061	1,191
2007Q1	12,558	2,353	1,775	945	1,400
2007Q3	13,679	2,254	1,722	718	862
2008Q1	14,223	2,185	1,629	747	1,405
2008Q3	**15,000**	**2,249**	**1,587**	**933**	**1,155**



The use of the electronic mail address grew for another quarter: in this third quarter of 2008, the percentage of Internet users who did not have e-mail dropped 0.8 percentage points compared to the same period the previous year. The clear predominance of personal addresses, 69.9%, over work addresses, 16.9%, was reinforced during this period.

% of individuals (Internet users)	No e-mail	E-mail at work	Personal e-mail
2006Q3	27.8	19.0	62.8
2007Q1	25.3	16.8	65.7
2007Q3	23.4	18.3	69.2
2008Q1	24.2	17.9	68.3
2008Q3	**22.6**	**16.9**	**69.9**

Thousands of individuals	No e-mail	E-mail at work	Personal e-mail
2006Q3	5,161	3,525	11,665
2007Q1	4,990	3,313	12,927
2007Q3	4,702	3,683	13,903
2008Q1	5,139	3,803	14,538
2008Q3	**4,981**	**3,713**	**15,393**

8.9. Public Administration via the Internet

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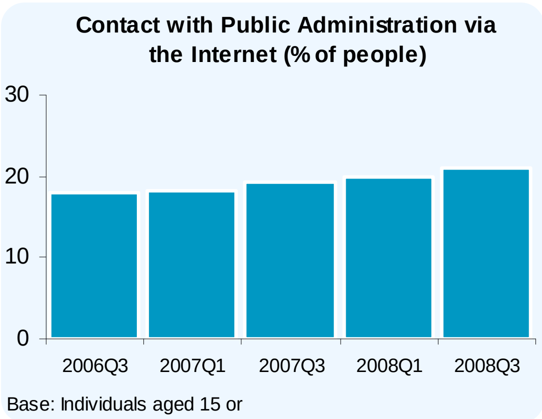


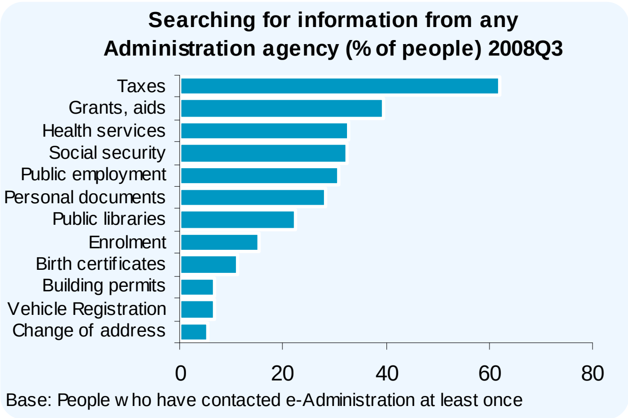
Contact with Public Administration	% of individuals	Thousands of individuals
2006Q3	17.9	6,646
2007Q1	18.3	6,855
2007Q3	19.3	7,240
2008Q1	20.0	7,557
2008Q3	**21.0**	**7,925**

Within the population aged 15 and over, 21% has now contacted the Public Administration (General, Regional and/or Local) via the Internet for a formality, an enquiry, etc. This represents a total of 8 million persons, nearly 700,000 more individuals than those who did so in the same period the previous year.

8.10. Administration information enquiry

Wave 21
July –Sept. 2008

% of individuals	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
Taxes	63.5	64.5	66.2	59.8	62.1
Grants, aids	42.0	44.7	47.7	43.2	39.6
Public employment	35.7	34.8	34.3	34.7	31.0
Social security	20.7	28.2	22.8	31.0	32.5
Health services	17.0	21.6	25.7	31.3	32.9
Enrolment	19.4	16.5	18.1	17.4	15.3
Personal documents	9.6	13.2	11.9	16.1	28.3
Birth certificates	6.2	8.2	9.0	8.9	11.3
Change of address	4.4	6.2	7.1	7.5	5.6
Public libraries	16.9	20.1	15.7	23.1	22.5
Vehicle Registration	5.8	6.0	6.2	7.0	6.9
Building permits	4.8	3.6	5.1	5.4	6.9

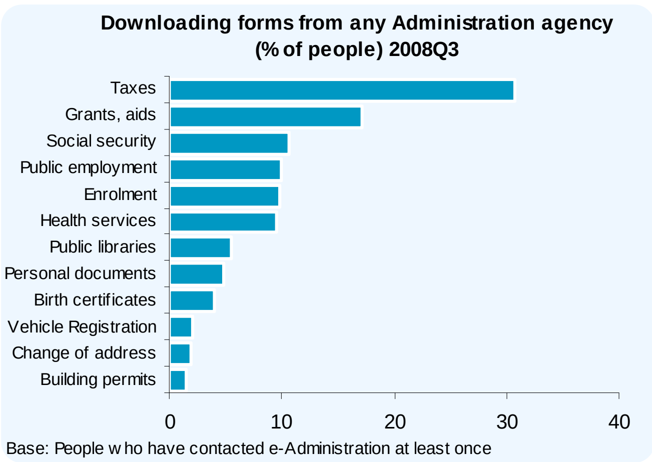


In 2008Q3, 62.1% of those who had contacted the e-Administration made enquiries on taxes, 39.6% requested information on scholarships, 33% did so in relation to healthcare services and Social Security, and 31% regarding public employment. However, the greatest increase was in requests for information on personal documents, which reached 28%.

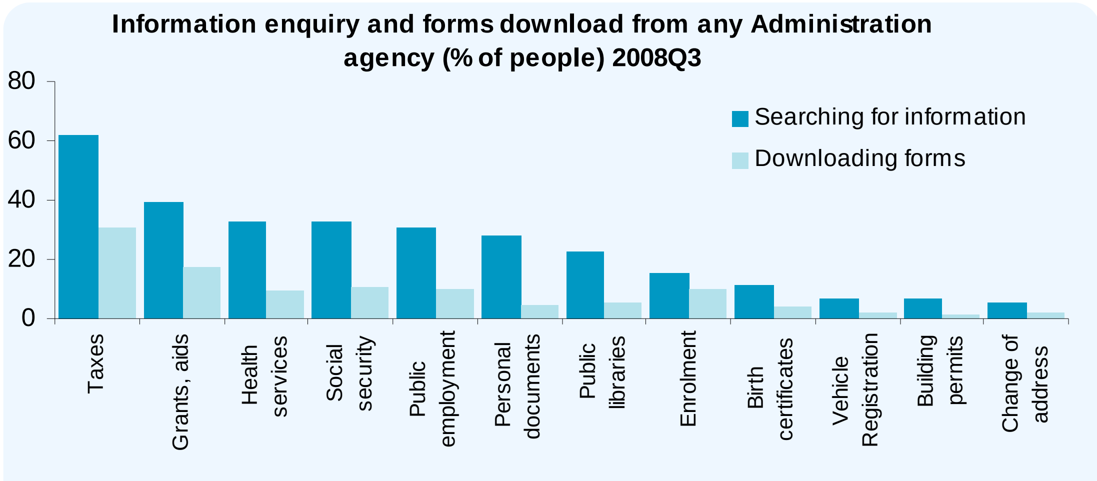
8.11. Official Administration form downloads

Wave 21
July –Sept. 2008

% of individuals	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
Taxes	32.0	32.5	30.8	31.0	30.7
Grants, aids	16.3	17.9	21.3	18.5	17.2
Public employment	11.6	11.9	11.7	11.2	9.9
Enrolment	9.9	8.9	10.8	10.4	9.8
Social security	7.8	7.5	8.5	7.8	10.7
Health services	6.1	6.7	9.3	10.8	9.6
Birth certificates	3.8	4.2	4.7	4.3	4.0
Public libraries	3.0	3.9	3.0	4.7	5.6
Personal documents	2.7	2.5	3.3	3.1	4.8
Change of address	2.0	2.3	2.5	3.1	2.0
Vehicle Registration	2.6	2.3	2.0	4.0	2.1
Building permits	1.8	1.1	1.4	2.1	1.5



The official forms most frequently downloaded were tax-related, carried out by 31% of those have who contacted the e-Administration at some time, followed by applications for scholarships and grants, in addition to Social Security, public employment, university registrations and healthcare services.



Base: People who have contacted e-Administration at least once

Although the figures for form downloads are well below those for information searches, certain proportionality can be observed between the two, with higher levels of form downloads for the most frequently consulted services. University entrance forms had the highest download rate in relation to prior information searches.

8.12. Carrying out formalities with the Administration

Wave 21
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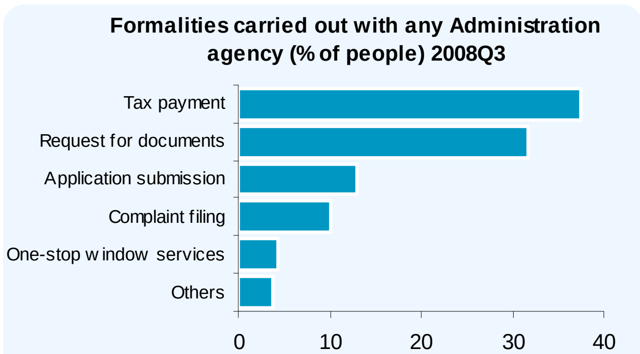
% of individuals	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
Request for documents	26.9	31.5	32.5	29.2	31.8
Tax payment	30.5	30.7	31.8	31.6	37.5
Application submission	14.0	14.8	13.8	12.5	12.9
Complaint filing	7.7	9.2	7.3	9.2	10.1
One-stop window services	5.0	5.1	5.2	5.1	4.3
Others	4.2	4.6	4.7	3.5	3.7



Base: People who have contacted e-Administration at least once

Payment of taxes and requests for official documents were the formalities most frequently carried out via the Internet, with 37.5% of those who contacted e-Administration completing the former formality online, whilst the latter formality accounted for 31.8% of the contacts. A substantial increase in complaints was also recorded.

8.13. Preference for contact with the Public Administration

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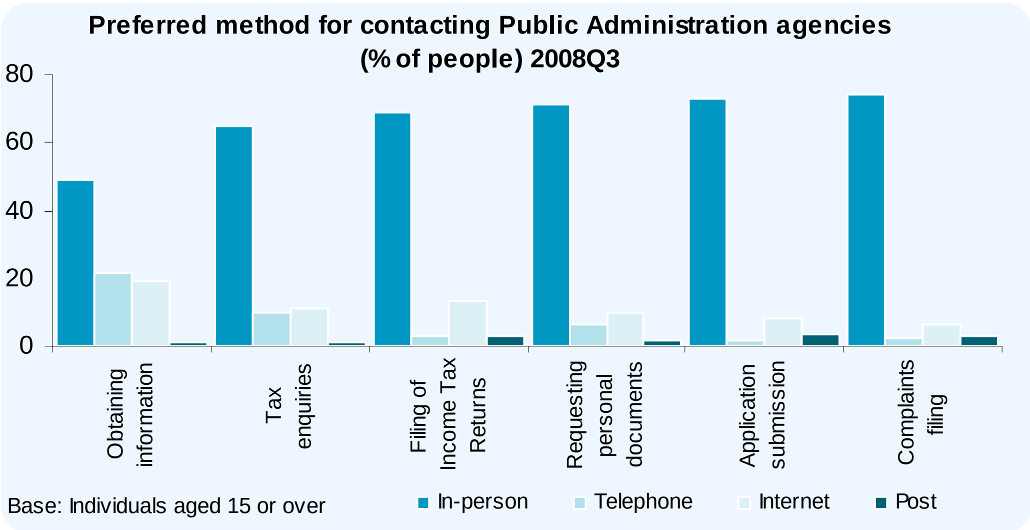
% of individuals	Contact type	2006Q1	2006Q3	2007Q1	2007Q3	2008Q1	2008Q3
Obtaining information	In-person	48.2	47.4	46.3	47.1	45.8	49.2
	Telephone	24.3	23.1	22.9	22.6	22.7	21.5
	Post	2.0	2.0	2.0	1.7	1.7	1.2
	Internet	14.5	15.4	17.0	17.8	19.0	19.3
Filing of Income Tax Returns	In-person	69.6	68.6	68.1	67.8	67.9	68.7
	Telephone	3.5	3.8	3.4	4.3	3.4	3.0
	Post	5.2	3.6	4.2	3.7	3.9	2.7
	Internet	7.5	8.4	9.4	10.1	10.5	13.7
Tax enquiries	In-person	64.5	62.6	62.0	61.1	62.3	64.6
	Telephone	12.0	12.2	12.4	11.7	11.2	9.9
	Post	1.5	1.2	1.2	1.3	1.5	1.3
	Internet	7.8	8.4	9.4	10.7	10.6	11.1
Requesting personal documents	In-person	72.2	70.5	68.6	68.6	67.8	71.4
	Telephone	7.1	6.6	7.8	7.0	7.8	6.6
	Post	2.5	2.3	2.0	2.5	2.0	1.6
	Internet	5.7	6.4	7.6	8.8	9.6	9.8
Application submission	In-person	72.4	70.9	70.1	70.2	69.5	73.0
	Telephone	2.0	2.0	1.8	2.3	2.1	1.7
	Post	5.6	4.6	5.5	4.9	4.8	3.7
	Internet	5.8	6.3	7.0	7.7	8.3	8.0
Complaints filing	In-person	73.5	72.2	71.0	71.2	70.8	74.1
	Telephone	2.9	2.8	3.0	2.9	3.2	2.5
	Post	4.4	3.8	4.4	3.8	3.6	3.0
	Internet	4.3	4.5	5.5	6.4	6.3	6.2

** Data corrected with respect to the report corresponding to wave 20*

Although in-person contact continues to be the preferred method for contacting the Public Administration, preference that has been reinforced in the last quarter of the study, it can nevertheless be seen that virtual contact by Internet has shown constant growth as the citizens' preferred contact method with the Administration.

In 2008Q3 the preference of the Internet as the means for obtaining information from the Public Administration reached 19.3% of the population aged 15 and over.



9. OBJECTIVES AND METHODOLOGY

9.1. Scope of the study

A dynamic sector such as this requires a group of homogenous, reliable and rigorous indicators that can serve as a benchmark for establishing regulatory initiatives, designing promotion policies and supporting business decisions.

Since 2003, Red.es has been carrying out a study that analyses the demands of Spanish households in telecommunication and the Information Society services. It offers indicators of the penetration of equipment, services and technologies, consumption levels and average expenditure, in addition to uses and attitudes towards technology, classified under five areas: landline telephony, mobile telephony, Internet, pay TV and ICT device equipment.

This analysis of the demand in the residential segment and use by individuals inside and outside of the household gives greater insight into the sector and completes the studies and indicators already carried out by other entities and institutions on the service offering and use both in residential and business spheres.

9.2. Background data

Universes: These have been updated for 2008 based on the increase of the Spanish population, obtaining the following results: 16,071,425 households. Individuals aged 15 and over: 37.810 million. Individuals aged 10 and over: 39.865 million.
The data published in this quarterly report refer to individuals aged 15 and over, except in those cases where it specifically refers to the population aged 10 and over.

Sample: 3,052 households and 6,538 individuals aged 10 and over were included in the questionnaire analysis. A total of 2,900 households fulfilled the requirements for their invoices to be included in the analysis.

Scope: Mainland Spain, the Balearic Islands and the Canary Islands

Sample design: For each of the Autonomous Regions, proportional stratification by type of habitat, with social segment quotas, number of persons per household and presence of children under 16 years in the household.

Questionnaires: In addition to quarterly collection of invoices, a postal survey is sent every six months to the panel members. This includes the household questionnaire and another individual questionnaire for all household members aged 10 and over. The first questionnaire covers information on the household's technological equipment and the second, on individual uses, habits and attitudes.

Field work: The field work and data processing has been carried out by Taylor Nelson Sofres (TNS). Collection of invoices for the period October-December 2008 was considered completed during February 2009.

Sampling error: Assuming simple random sampling criteria, for maximum uncertainty (p=q=50%) and a level of confidence of 95%, the maximum sampling errors made are ±1.77% for households and ±1.21% for individuals.