

Project Abstract

The Bank has been asked to provide a proposal to lead an A/B Loan facility of up to US\$600 million for Telefónica Móviles Colombia S.A. (the “Company” or “*Movistar*”), which would include up to US\$125 million from the Bank’s own capital (the “A Loan”). The facility would be to refinance current short-term financial obligations of Movistar as well as to finance some capital expenditures and working capital needs as part of the Company’s overall program for the Colombian mobile market.

Movistar is the second largest mobile company in Colombia with approximately 27% of total market share. The Company is a wholly owned subsidiary of the Telefónica group of Spain, which acquired the Company from BellSouth in 2004. Since the acquisition, the Company has invested heavily in creating its GSM network. The Company’s success will significantly increase competition in Colombia.