

## SHAREHOLDER INFORMATION

	1986 \$	1986	1985	1984	1983	1982
Share capital at December 31 (millions of Ptas.) (1)	\$ 3,110.22	411,793.00	360,468.00	320,416.00	288,374.00	240,311.70
Weighted average shares outstanding (thousands)	808,258.00	808,258.00	702,720.00	585,702.20	493,001.00	480,623.40
Market price at December 31 (Ptas.)	\$ 6.61	875.00	637.50	465.00	350.00	322.50
Adjusted book value per share (Ptas.)	\$ 9.88	1,308.41	1,263.47	1,205.33	1,135.92	1,110.88
Adjusted cash flow per share (Ptas.)	\$ 2.04	270.23	246.21	240.74	226.57	186.56
Adjusted earnings per share (Ptas.)	\$ 0.42	55.99	54.28	52.52	51.56	49.84
Market price/book value	0.67	0.67	0.49	0.39	0.28	0.26
Market price/cash flow	3.25	3.25	2.52	1.82	1.43	1.56
P/E ratio	15.63	15.63	11.44	8.35	6.27	5.84
Adjusted dividend per share (Ptas.)	\$ 0.42	55.00	53.59	51.87	50.76	49.62
Dividend yield (%)	6.29	6.29	8.63	11.83	15.71	17.05
Overall rate of return on the Madrid Stock Exchange (%) (2)	48.66	48.66	52.85	50.73	27.55	3.42
Payout (%)	98.64	98.64	98.72	98.76	98.40	99.58
Turnover in Telefónica shares/Total turnover on the Madrid Stock Exchange (%)	10.21	10.21	19.99	6.76	8.45	2.95
Dealing frequency (%)	100.00	100.00	100.00	100.00	100.00	100.00
Weighting in the Madrid Stock Exchange Index (%)	15.20	15.20	11.90	10.71	11.20	9.60

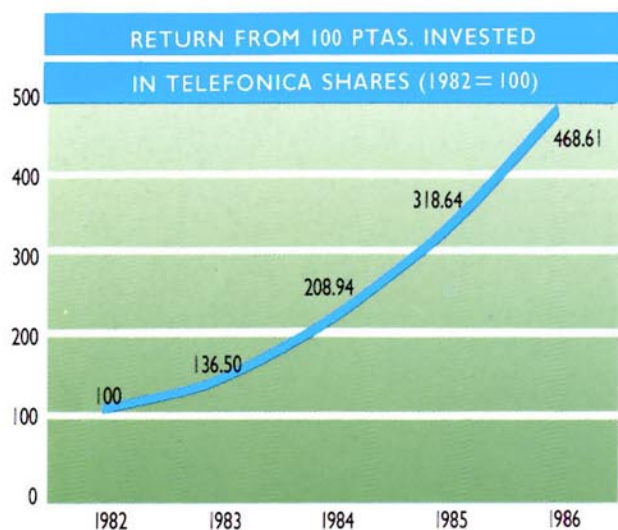
(1) Divided into shares of 500 Ptas. nominal value.

(2) Includes: gross dividend, average subscription rights and capital gains.

### 1986 return\* on Telefónica shares in:

Frankfurt	30.45%	London	65.26%
Paris	49.54%	Tokyo	33.82%

\* Overall return, including: dividends, average subscription rights and capital gains in local currency.



### TELEFONICA: INTERNATIONAL COMPARISONS AT DECEMBER 31, 1986



IT — INTERNATIONAL TELECOMMUNICATIONS INDEX (source: "Capital International Perspective")

T — TELEFONICA.—Data according to spanish accounting principles.

T (US. GAAP.) - TELEFONICA.—Data according to US accounting principles.

