

Telefónica S.A.

SHAREHOLDERS' INFORMATION

SHARE CAPITAL

	1996	1997	EUROS 1998	1999	2000
Share capital (millions of euros)	2,823.17	2,823.17	3,079.82	3,262.82	4,340.71
Earnings per share (euros)(*)(1)	0.34	0.41	0.43	0.55	0.58
(2)	0.34	0.41	0.44	0.57	0.67
PER	17.67	21.50	29.72	44.84	30.50
Pay out (%)	52.17	50.42	-	-	-
Share price / annual cash flow	3.49	4.25	5.97	9.01	7.30

()Figures adjusted for the three-way share split which took effect on 23rd July 1999, taking into consideration: (1) the average number of shares at the year end; and (2) the average number of shares outstanding during the year. The figures include share capital increases weighted in accordance with the number of days the shares were traded.*

At 31st December 2000 the share capital of Telefónica was 4,340,710,735 euros, represented by 4,340,710,735 bearer shares of EUR 1.00 par value each, subscribed and fully paid.

At their Ordinary General Meeting held on 7th April 2000 the Shareholders approved two share capital increases through the issue of fully paid-in shares with a charge to distributable reserves. These shares will be assigned to the shareholders free of charge on the basis of one new share for 50 existing shares.

Accordingly, at the Board Meeting held on 24th January 2001, the Directors declared the first of these share capital increases complete following the issue of 86,814,214 new shares. The new shares were listed on the Spanish stock exchange on 2nd February 2001.

At the Board Meeting held on 28th March 2001, the Directors declared the second share capital increase to have been completed. The 89,203,045 new shares issued were listed on Spanish stock exchanges on 9th April 2001.

SHARE CAPITAL INCREASE

Share capital increases carried out in 1998, 1999 and 2000 were as follows:

Date	N.º of shares issued	Issue price	Amount of the issued (Millions)	
			Par value Euros	Cash value Euros
25/03/98	85,406,438	30.051	256.652	2,566.515
(*) 27/05/98	642	29.103	0.002	0.019
(**) 16/12/98	20,497,558	3.005	61.596	61.596
(**) 25/02/99	20,907,509	3.005	62.828	62.828
(*) 15/09/99	1,002	9.595	0.001	0.009
(**) 29/09/99	63,976,998	1.000	63.976	63.976
(*) 04/02/00	13,965,205	9.442	13.965	131.859
(*) 23/02/00	3,026,268	9.461	3.026	28.632
(*) 29/03/00	4,448,442	9.496	4.448	42.242
(***) 26/04/00	14,477,109 (1)	9.500	14.477	137.532
(*) 26/04/00	2,914,193	9.524	2.914	27.755
(*) 31/05/00	780,927	9.564	0.781	7.469
(*) 28/06/00	1,426,472	9.591	1.426	13.681
(***) 04/07/00	157,951,446 (2)	9.129	157.951	1,441.939
(***) 06/07/00	371,350,753 (3)	11.910	371.351	4,422.787
(***) 06/07/00	90,517,917 (4)	3.995	90.518	361.619
(***) 11/07/00	80,954,801 (5)	9.072	80.955	734.422
(*) 26/07/00	33,716,560	9.531	33.717	321.353
(***) 02/08/00	213,409,097 (6)	3.875	213.409	826.960
(***) 18/12/00	88,944,644 (7)	11.231	88.945	998.898

(*) (*) Increases carried out in connection with the conversion and consequent redemption of convertible bonds of USD 1,000 par value each.

(**) Share capital increases charged against distributable reserves as approved by the Shareholders at the Extraordinary General Meeting held on 24th June 1998 and the Ordinary General Meeting held on 26th March 1999.

(***) Share capital increases carried out by contributions in kind consisting of shares of: (1) Vigil Corp, S.A. and Ambit, S.A., (2) Telefónica de Argentina, S.A., (3) Telecomunicações de Sao Paulo, S.A., (4) Telesudeste Participações, S.A., (5) Telefónica de Perú, S.A., (6) Endemol Entertainment Holding N.V., (7) CEI Citicorp Holdings, S.A.

SHARE PRICE

Telefónica shares are listed on the continuous market of the Spanish Stock Exchanges (Madrid, Barcelona, Bilbao and Valencia) and the following foreign stock exchanges: London, Paris, Frankfurt, Tokyo, Buenos Aires, New York (*), Lima (*), São Paulo (**) and the London Stock Exchange SEAQ International system.

In 2000 the shares of Telefónica, S.A. were listed in three new markets. Trading commenced in the Lima Stock Exchange on 2nd March 2000, and in the Buenos Aires and São Paulo Stock Exchanges on 3rd July 2000.

Trading in options over Telefónica shares is carried out on the Spanish Financial Futures Market (MEFF-RV) and the American Stock Exchange (AMEX) (*).

(*) Trading in American Depositary Receipts (ADRs), 1 ADR = 3 shares

(**) Trading Brazilian Depositary Receipts (BDR) 1 BDR = 1 share

GRUPO TELEFÓNICA SHARE PRICE ON THE SPANISH CONTINUOUS MARKET

TELEFÓNICA, S.A.

	MAXIMUM (1)		MINIMUM (1)		LAST (1)	
	Pesetas	Euros	Pesetas	Euros	Pesetas	Euros
1996	1,020	6.13	563	3.38	1,005	6.04
1997	1,615	9.70	990	5.95	1,450	8.71
1998	2,670	16.04	1,498	9.00	2,103	12.64
1999		26.20		11.61		24.80
2000 first quarter		33.12		22.52		26.40
2000 second quarter		28.02		19.93		22.50
2000 third quarter		25.95		20.65		22.45
2000 fourth quarter		23.96		17.01		17.60

(1) Share priced in Euros (1 Euro = 166,386 pesetas) on the basis of the three-way split in the par value of shares as from 1-1-96.

TELEFÓNICA PUBLICIDAD E INFORMACIÓN, S.A.

	MAXIMUM (1)	MINIMUM (1)	LAST (1)
	Euros	Euros	Euros
1999	17.53	6.00	16.08
2000 first quarter	27.30	12.33	15.16
2000 second quarter	15.81	9.03	9.89
2000 third quarter	12.19	9.09	9.60
2000 fourth quarter	9.73	5.55	5.70

(1) The three-way share split took effect on 19-6-2000. Values for 1999 have been adjusted on the basis that the effective date for the share split was the value on the first day's trading (23/06/99).

On 23rd June 1999 Telefónica Publicidad e Información, S.A. was listed on the Spanish Continuous Market at an opening price of EUR 18.50. The Company was included in the Ibex-35 index on 3rd January 2000 and on 10th April 2000 trading commenced in the Nuevo Mercado, a special segment created for technology stocks. As a consequence, the company was included in the Ibex-Nuevo Mercado index.

TERRA NETWORKS, S.A.

	MAXIMUM Euros	MINIMUM Euros	LAST Euros
1999	57.00	26.00	54.25
2000 first quarter	157.65	52.00	84.15
2000 second quarter	85.40	39.81	40.50
2000 third quarter	59.70	35.60	46.00
2000 fourth quarter	48.94	10.53	11.60

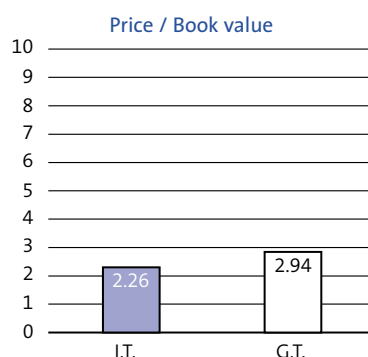
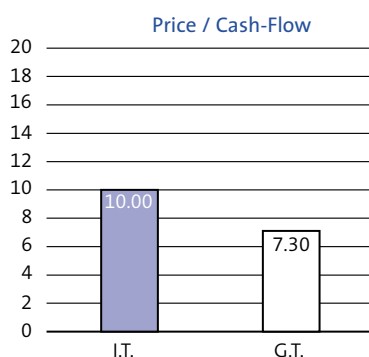
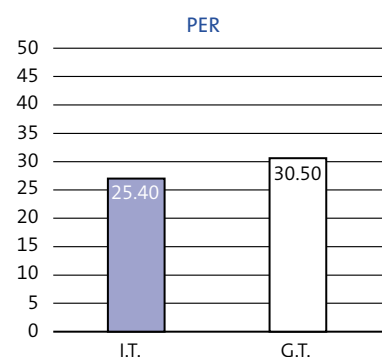
Trading in Terra Networks, S.A. on the Spanish Continuous Market commenced on 17th November 1999. The opening price was EUR 26.00. The Company was included in the Ibex-35 index on 31st January 2000 and on 10th April 2000 trading commenced in the Nuevo Mercado, a special segment created for technology stocks. As a consequence, the company was included in the Ibex-Nuevo Mercado index.

TELEFÓNICA MÓVILES, S.A.

	MAXIMUM Euros	MINIMUM Euros	LAST Euros
2000 fourth quarter	11.47	9.82	11.00

Trading in Telefónica Móviles, S.A. on the Spanish Continuous Market commenced on 22nd November 2000. The opening price was EUR 11.00. This Company was included in the Ibex-35 index on 2nd January 2001.

- IT: International Telecommunications Index (Source: "Capital International Perspective")
- GT: Telefónica Group (Figures per Spanish GAAP)
- International comparisons at 31-XII-00



I.T.: International Telecommunications Index (Source: "Capital International Perspective")
 G.T.: Telefónica Group (Figures per Spanish GAAP)
 International comparisons at 31-XII-00

DIVIDENDS

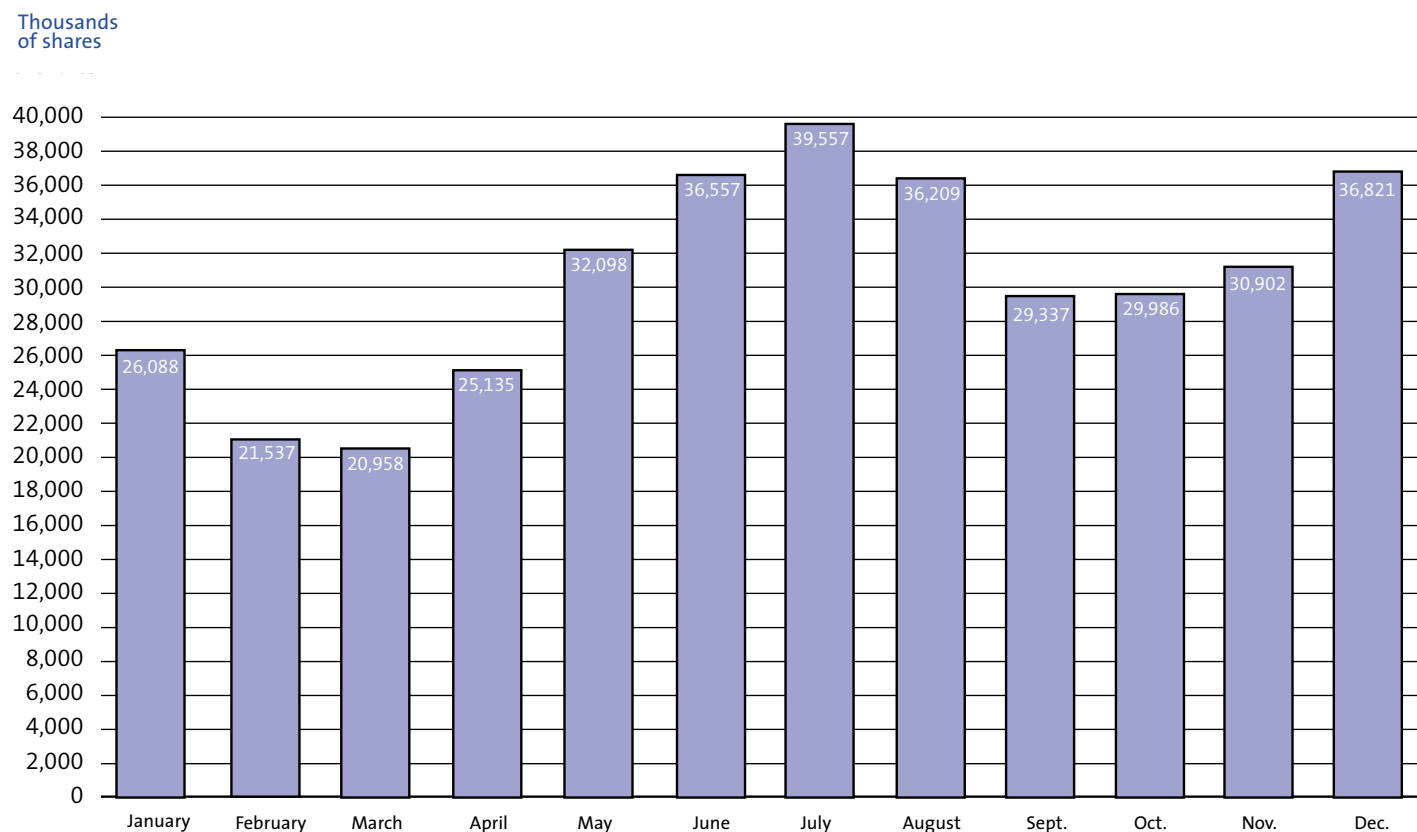
El Dividends in recent years have been as follows:

	1995		1996		1997	
	Pesetas	Euros	Pesetas	Euros	Pesetas	Euros
Interim	30	0.18	35	0.21	40	0.24
Final	46	0.28	54	0.32	62	0.37
Total	76	0.46	89	0.53	102	0.61

At the Extraordinary General Meeting of the Shareholders held on 24th June 1998, Telefónica announced a new policy for the remuneration of shareholders using alternatives to the distribution of dividends.

In accordance with this new dividends policy, Telefónica has carried out share capital increases with charges to distributable reserves since 1998, recognising the shareholders' rights to the assignation of the new shares issued free of charge in the proportion of one new share for each fifty existing shares. These share capital increases were approved by the Shareholders at their Extraordinary General Meeting held on 24th June 1998 and the Ordinary General Meetings held on 26th March 1999 and 7th April 2000.

Average daily trading in Telefónica, S.A. Shares in 2000



STOCK MARKET CAPITALISATION

PESETAS	1996	1997	1998	1999	Average % increase	
					2000	00/96
Telefónica (millions of pesetas)	2,832,505	4,086,698	6,466,980	13,463,635	12,711,308	45.55
Total equities, Madrid Stock Ex. (millions of pesetas)	31,578,998	44,260,173	57,032,695	70,810,970	89,357,052	29.70
Telefónica weighting in the Spanish market:						
(*) Ibex 35 (%)	14.25	14.61	17.07	27.61	24.56	-
Madrid Stock Exchange General Index (%)	11.46	11.63	13.31	21.27	18.47	-

(*) Weighting on the last business day of each year.

EUROS	1996	1997	1998	1999	Average % increase	
					2000	00/96
Telefónica (millions of euros)	17,023.7	24,561.6	38,867.3	80,918.1	76,396.5	45.55
Total equities, Madrid Stock Ex. (millions of euros)	189,793.6	266,009.0	342,773.4	425,582.5	537,046.7	29.70
Telefónica weighting in the Spanish market:						
(*) Ibex 35 (%)	14.25	14.61	17.07	27.61	24.56	-
Madrid Stock Exchange General Index (%)	11.46	11.63	13.31	21.27	18.47	-

(*) Weighting on the last business day of each year.

Share price index, Telefónica shares
(base at 31/12/1995)

