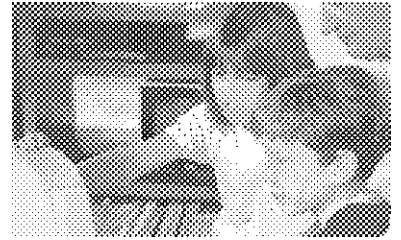


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Fundación
Telefónica



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Fundación Telefónica

Telefónica is deeply committed to the societies in which it operates. In a modern society, access to technology and especially to telecommunications is vital to the normal development of both business organizations and the individual. The lack of these services is synonymous with social and personal disadvantage, and telecommunications have thus become the most reliable indicator of the level of development attained by a given community.

With this clearly in view, Telefónica has set itself objectives for the maximum development of social technology applications in order to promote equal opportunity, and contribute to raising individual and community standards of living, paying particular attention to the weak and needy.

Fundación Telefónica is the linchpin for the Group's social and cultural activity, with a presence in Spain, Argentina, Brazil, Chile, Perú

and Morocco. In all of these countries, the foundation organizes and carries out projects and activities that are in line with local realities through independent local foundations, all of which are linked by a common philosophy and share the same objectives and working methods.

Fundación Telefónica promotes activities in the fields of education, social and health applications, telecommunications, socialization, community development, promotion of voluntary service, and others. The foundation stresses co-operation with other prestigious social organizations to design and carry out projects in each country.

The promotion of access to education and culture is one of the foundation's key areas of activity. This includes collaboration with the Instituto Cervantes, the Real Academia Española, the Spanish National Library, the Library of Catalonia, the Monastery of Montserrat and the Palau de la Música auditorium, among other institutions.

The project for the virtual recreation of the cathedrals in various provinces and monuments forming part of the Spanish National Heritage, permitting a detailed visit over the Internet in a 3D environment, is a notable example of the foundation's cultural work making use of new communications networks.

In the field of education, Fundación Telefónica has continued the "EducaRed. La Educación en la Red" internet education project, which is designed to encourage the use of the Internet for learning purposes.

During 2000 the Foundation has provided support for the Social Services operations of organizations that use telecommunications as a key tool in providing information and advice to people in need of assistance



The objectives set by Telefónica include maximum development of social applications designed to improve the living standards of both individuals and social groups with special attention to the aged

This has involved facilitating Internet connection and numerous educational services for students, parents and teachers at public, private and grant assisted schools throughout Spain. At the end of 2000, around 8,500 schools, 250,000 teachers and over 3,000,000 students had signed on to Educared, with a combined 115,000 computers. The program (www.educared.net) brings together all the members of the State education community in Spain and is the largest Spanish language education portal on the Internet. This project is currently being adapted for implementation in Argentina, Brazil, Chile and Peru. Around 4,000 teachers and students from 43 Spanish provinces have also taken part in the "Aprende con Internet" (Learn with the Internet) initiative, which provides students, teachers and institutions with the tools to go online and create their own web pages. Together with other entities involved in Educared, Fundación Telefónica organized the 1st Educared Congress, the main theme of which was online teaching innovation in 2000. Over 1,800 teachers from the whole of Spain attended in January 2001.

The university portal CampusRed (www.campusred.net) was also created in 2000. The objective is to provide a platform for collaboration between university teachers and students in Latin America. As in the case of Educared, the main aim is to provide tools to enable users of the portal to create their own content and exchange ideas, information and

research. CampusRed has been created with the intention of serving teachers, students, managers and non-university personnel at Spanish and Latin American universities and raising their profile.

Solidarity - the prime objective

Support has continued in 2000 for Social Assistance Telephone Services run by entities using telecommunications as a key instrument for providing information and advice to those in need. Work has also continued on the Red Internacional de Solidaridad (International Solidarity Network -www.risolidaria.org), which provides a framework for co-operation between not-for-profit institutions and for the exchange of ideas, opinions and common projects. An Internet portal has been set up as a part of this project. During 2000, a further 23 organisations applied to promote the portal.

As a part of programs designed to help people join the labor market, work has continued on the Merc@dis project, which offers a jobs exchange for the disabled on a web page of the same name (www.mercadis.com). Further investments were also made during the year in social insertion programs involving work schemes which resulted in the creation of a dozen micro-businesses. Support



programs have also been launched to assist the homeless.

Humanitarian aid has always formed a part of the activities of Fundación Telefónica, and this year it has provided telephones and emergency units for use in aid work following natural disasters such as the floods in Venezuela, Mozambique and India, the Ethiopian famine and the El Salvador earthquake. The humanitarian and emergency telephone service received nearly 24,000 calls during 2000.

Support for Spanish voluntary workers and missionaries worldwide has been kept up in 2000, and Fundación Telefónica has provided both the necessary communications infrastructure for them to continue with humanitarian aid in emergency situations, and the normal infrastructure required for them to keep in touch with their organizations and families. All of this represents only the briefest summary of the activities of Fundación Telefónica during 2000, when over very different 100 projects were under way.

Telefónica and the Fundación also offer a permanent forum for the dissemination of art and culture. The numerous exhibitions and art production and dissemination activities have continued to attract the attention of the wider public. Interest in the events organized in relation to the "25 years of the Spanish transition to democracy", currently travelling around Spain, and the "Gold, Frankincense and Myrrh: Christmas Cribs in Spain" exhibition which closed the year, was particularly strong.

Fundación Telefónica in Latin America and Morocco

The strategy of the Telefónica Foundation and the activities it carries out are the same in all of the countries where it operates. In Latin America, the Foundation is involved in a wide variety of cultural projects in co-operation with government and other institutions, maintaining education portals similar to the Educared project in Spain for primary and secondary schools in Argentina (Eduvía), Chile (Internet Educativa 2000), Peru (Edured) and Brazil (Educarede). The Foundation has also launched jobs programs for the disabled such as Merc@dis in all of these countries, and co-operation programs such as the Red Iberoamericana de Solidaridad (Latin American Solidarity Network), a platform for aid organisations with which the Foundation works in a number of fields including proactive projects and voluntary work. It also participates in artistic and cultural projects such as exhibitions, seminars and workshops, as well as carrying out valuable restoration work on historic and artistic monuments. The Foundation established itself in Morocco this year and has already launched major programs to raise living standards, implementing projects in the fields of education, professional training, and job creation, as well as urban and suburban anti-poverty schemes.