

the major effort made, rising from 50.9% in 1982 to 66.6% in 1985.

The result of this important growth in self-financing, together with the policy of successive capital increases has been that major repayments have enabled debt structure to be improved and working capital to be reorganised.

In order to reduce the effort requested of its shareholders and national savings and to transform debt into equity, **Telefónica** obtained listings on foreign Stock Exchanges in 1985, after complying with the strict controls on the external auditors and the Stock Exchanges themselves. **Telefónica** shares are presently listed on the Stock Exchanges of London, Tokyo, Frankfurt and Paris, with excellent turnover levels that in some cases even exceed turnover on the Spanish Stock Exchanges.

But I will not cease to emphasize that **Telefónica** has achieved these successes because its employees have made the effort, although many controversies remain

that are common to times of crisis, and shareholders have been capable of maintaining **Telefónica** investment activity with their savings. To all of them, now that the end of the long tunnel of the Spanish economic crisis is visible, I should like to express my gratitude and absolute confidence that the coming years will witness new successes for our Company and even greater improvements in our internal organization and presence in the world.



Luis Solana

Chairman of the Board of Directors
of the **Compañía Telefónica**
Nacional de España

HIGHLIGHTS

ITEMS	1984	1985	% 85/84
Number of telephones	13,825,459	14,258,928	3.1
Telephones per 100 inhabitants	35.8	36.6	2.2
Lines in service	8,881,727	9,340,458	5.2
Applications pending	266,979	252,762	-5.3
Trunk calls (thousands of units)	2,565,816	2,819,679	9.9
Trunk calls per subscriber	288.7	301.9	4.6
Automatic trunk calls (%)	98.8	99.1	0.3
Outgoing international calls (thousands of units)	78,402	87,220	12.5
Automatic international calls (%)	97.2	97.4	0.2
Number of permanent staff	66,781	66,661	-0.18
Investment in fixed assets for the year (millions of pesetas)	175,417	187,881	7.1
Value of telephone equipment and installations (millions of pesetas)	2,258,886	2,525,314	11.8
Share capital (millions of pesetas)	320,416	360,468	12.5
Revenue from services (millions of pesetas)	349,226	393,506	12.7



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