

## SHAREHOLDER INFORMATION

	1984	1985	1986	1987	1988
Share Capital (Millions of ptas.)	320,415.60	360,467.55	411,792.74	415,367.86	460,620.35
Earnings per share (ptas.)	55.69	55.71	56.13	64.15	70.62
Price/earnings ratio	8.35	11.44	15.59	12.47	12.58
Dividend payout (%)	98.76	98.72	98.66	85.72	75.43
Capitalisation/Cash-flow	1.79	2.57	3.21	2.47	2.52

### Share Capital

The share capital of Telefónica at April 30, 1989 was 462,405,972,500 ptas., represented by 924,811,945 bearer shares of 500 Ptas. nominal value, fully paid in.

Capital increases since 1984 are as follows:

Year	Ratio	Issue price (ptas.)	Paid by the Shareholders (ptas.)	Nominal Amount Millions of Ptas.
1984	1 x 9	100%	350.00	32,041.6
1985	1 x 8	100%	400.00	40,051.9
1986	1 x 9	100%	450.00	40,051.9
1986 Conv	—	128.375%	641.875	69.1
1986 Conv	—	168.975%	844.875	11,204.2
1987 Conv	—	154.993%	774.965	181.2
1987 Conv	—	148.115%	740.575	2,791.8
1987 Conv	—	165.225%	826.125	602.2
1988 Conv	—	129.666%	648.330	15,257.5
1988 Conv	—	144.921%	724.605	314.3
1988 Conv	—	180.730%	903.650	83.1
1988 Conv	—	152.642%	763.210	28,395.2
1988 Conv	—	160.341%	801.705	208.4
1988 Conv	—	166.656%	833.280	11.4
1988 Conv	—	163.418%	817.090	7.9
1988 Conv	—	159.809%	799.045	9.4
1988 Conv	—	155.268%	776.340	965.3
1989 Conv	—	156.477%	782.385	1,785.6

Note: At April 30, 1989 Telefónica had outstanding 8,220.5 million pesetas and 200 millions dollars in convertible Bonds.

### Share Listings

Telefónica shares are listed on all the Spanish Stock Exchanges—Madrid, Barcelona, Bilbao, and Valencia—and on five foreign Stock Exchanges—London, Paris, Frankfurt, Tokyo and New York.\*

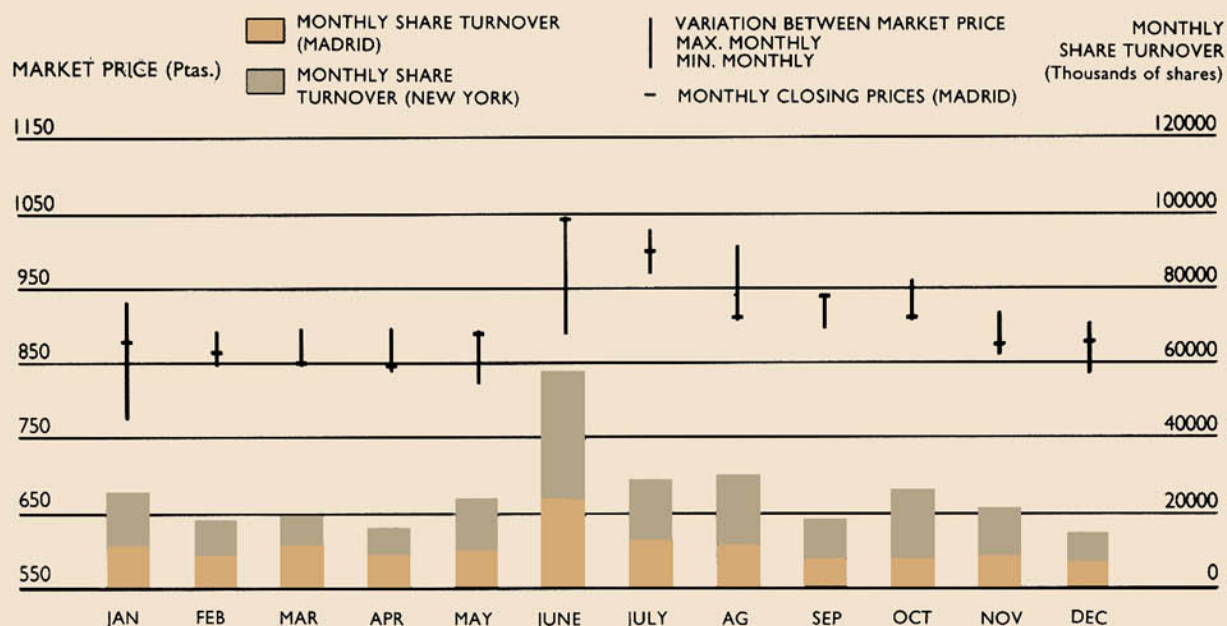
Admission to the New York Stock Exchange was granted on June 11, 1987.

Telefónica is listed under the symbol "TEF".

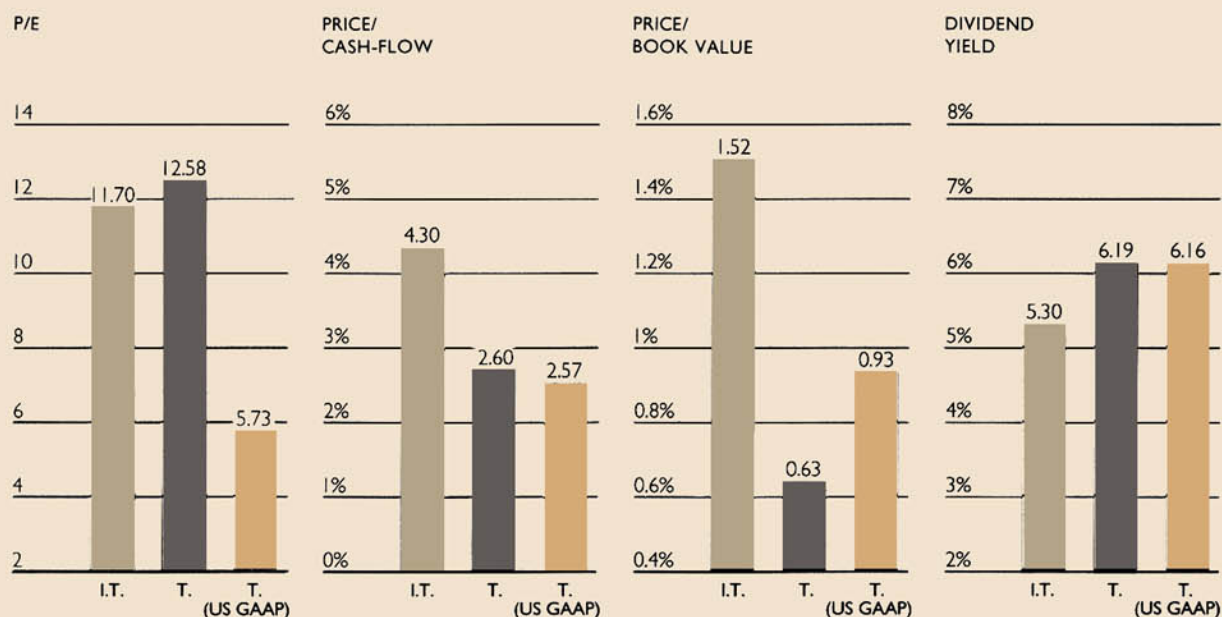
Since April 5, 1988, Telefónica is present on the London Stock Exchange SEAQ INTERNATIONAL\* system.

\*It is listed on American Depositary Receipts. 1 ADR = 3 shares.

## TRENDS IN TELEFONICA SHARES DURING 1988



## TELEFONICA: INTERNATIONAL COMPARISONS AT DECEMBER 31, 1988



I.T. – 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.

## Market prices

The table shows closing prices on the Madrid Stock Exchange, in Ptas.

Year	High	Low	Year-end close
1984	523.75	330.00	465.00
1985	720.00	472.50	637.50
1986	1,142.50	632.50	875.00
1987	1,265.00	645.00	800.00
1988 1st quarter	930.00	800.00	850.00
1988 2nd quarter	1,047.50	831.25	1,047.50
1988 3rd quarter	1,028.12	893.12	938.75
1988 4th quarter	959.38	840.00	888.75

## Stock Market Capitalisation

	1984	1985	1986	1987	1988	Average Growth % 88/84
Telefónica	268.2	456.2	700.9	663.7	766.1	30.00
Total Madrid Stock Exchange	2,294.5	3,007.3	6,477.3	7,748.8	10,313.1	45.60
Telefónica Weighting on the M.S.E. index (%)	10.71	11.90	15.20	10.89	9.07	—

(figures in thousands of millions pesetas)

## Dividend Policy

Telefónica normally pays an interim dividend at year end and a final dividend once the total dividend for the year has been approved by the General Meeting of Shareholders, following the proposal of the Board of Directors.

New shares from capital increases participate in net income on the basis of the time they have been outstanding.

Recent dividends were:

	1987	% of par value	1988	% of par value
Interim	25 ptas.	5	25 ptas.	5
Final	30 ptas.	6	30 ptas.*	6
Total	55 ptas.	11	55 ptas.	11

\* Pending approval by the General Meeting of Shareholders, in accordance with the proposal for net income distribution (page 46).

## Principal shareholders of Telefónica

Since Telefónica shares are bearer shares, no official register of shareholders exists. Nevertheless, in paying the interim dividend for 1988 on January 31, 1989, it was verified that the main shareholders are as follows:

	Interest as % of Share Capital
Spanish State	32.36
Bank of Spain	1.31
Caja Postal (Post Office Savings Bank)	1.85

**Notice of the General Meeting of Shareholders**

Date: June 30, 1989 (at the second notice)

Time: 12 h.

Place: Paseo de la Castellana, 259. Madrid.

Pabellón de Deportes de la Ciudad Deportiva del Real Madrid.

**Shareholder information**

Copies of this Annual Report may be obtained free of charge from the Company offices or by request in writing to:

**Telefónica de España, S.A.**

Financial Department

General Perón, 38-planta 15

Edificio Master's II

28020 MADRID

In compliance with the stipulations of the Ministry Orders of November 17, 1981 and February 26, 1982, a biannual information brochure is available to shareholders.

**Published by Telefónica**

Gran Vía, 28. 28013 Madrid

**Design:** AN & C

**Charts:** Chema Alonso

**Layout and Printing:**

Espacio y Punto, S.A.

Artegraf

Legal Deposit: M-22591-1989



**Telefónica de España, S.A.**