

AGENDA OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Board of Directors of "Telefónica, S.A." (the Company) has resolved to CALL the Annual General Shareholders' Meeting of the Company, to be held in Madrid, at IFEMA (Feria de Madrid), Pabellón 6, Parque Ferial Juan Carlos I, Campo de las Naciones, on June 15th , 2001 at 10.00 a.m. , on second call (if the necessary legal quorum is not reached on first call which is due to be held at the same time and place the previous day).

The purpose of this call is to submit to the consideration and approval of the Annual General Shareholders' Meeting, the items stated in the Agenda below, if warranted.

AGENDA

- I. Examination and approval, if applicable, of the Annual Accounts and of the Management Report both of "Telefónica, S.A." and of its Consolidated Group of Companies as well as the proposal for application of the results of Telefónica, S.A. and of the management of its Board of Directors, all corresponding to the fiscal year for the year 2000.
- II. Reelection, ratification and, if applicable, appointment of Board members.
- III. Reelection of the Accounts Auditor for the 2001 fiscal year.
- IV. Continuation of the consolidated tax system.
- V. Authorization for the derivative acquisition of the Company's own shares, directly or through companies of the group.
- VI. Increases of the share capital with a charge to unrestricted reserves and consequent modification of Article 5 of the Bylaws. Delegation of the powers to the Board of Directors for execution of the resolutions.
- VII. Authorization of the Board of Directors to increase the share capital under the terms and conditions of Article 153.1.b) of the Corporation Law, for the maximum period of five years, with or without preferred subscription right, in this latter case, the shares being issued at an issue price corresponding to the actual value resulting from the mandatory report of the Accounts Auditor of the Company and, in all cases, in accordance with the stipulations of Article 159 of the Corporation Law.
- VIII. Delegation of powers to the Board of Directors for the issuance of fixed income securities, convertible or exchangeable for the Company's own shares, with a determination of the basic conditions and manners of conversion or exchange as well as to increase the share capital to the extent necessary to meet the conversion requests, if applicable.
- IX. Issuance of fixed income securities, convertible or exchangeable for the Company's own shares, with an exclusion of the preferred subscription right. Determination of the basic conditions and manners of conversion or exchange and increase of the share capital by the amount necessary to meet the conversion requests. The issue price of the securities, as a minimum, will be at par, and the value of the new shares for purposes of conversion or that of the previously existing shares for purposes of exchange, as a minimum, will be that of the average quotation over the ten days preceding the opening date of the subscription period for the securities, and, as a maximum, 200 percent of the said quotation, without, in any case, being less than the nominal value of the shares nor its net asset value. Delegation of powers to

the Board of Directors to execute the resolution of the Meeting and to determine the points not established in it.

- X. Capital increase by means of non-monetary contributions, for a nominal amount of 174,700,000 euros, through the issuance and placement into circulation of an equal number of new ordinary shares with a nominal value of one euro each, with an issue premium to be determined within the scope of that provided in Article 159.1.c) "in fine" of the Corporation Law, by the Board of Directors on the date of execution of the resolution and for an amount that in all cases shall be between a minimum of 4.5 euros and a maximum of 6.5 euros. The new shares are to be subscribed to and fully disbursed by means of non-monetary contributions that will permit the direct or indirect acquisition of the Mexican companies Telefonía Celular del Norte, S.A. de C.V., Celular de Telefonía, S.A. de C.V., and Baja Celular Mejicana, S.A. de C.V., and 90% of the companies Movitel del Noroeste, S.A. de C.V., Moviservicios, S.A. de C.V. and Movicelular, S.A. de C.V. Total elimination of the preferred subscription right and providing of incomplete subscription. Delegation of powers to the Board of Directors to determine the conditions of the increase not provided in the resolution of the Meeting and to perform the acts necessary for its execution.
- XI. Complementary decisions relating to the remuneration system referenced on the quotation value of the shares of the Company with delivery of options on these, referred to as the TOP Plan.
- XII. Share capital increase in the amount of 1,425,624 euros, with the issuance and placement into circulation of an equal number of new shares of one euro nominal value each, with an issue premium of 18.2898 euros per share, that are to be subscribed and disbursed through a monetary contribution to meet the needs derived from the establishment of a remuneration system referenced on the quotation value of "Telefónica, S.A." shares – with subscription of shares and delivery of option rights on shares - intended for employees of the Endemol Group. Total elimination of the preferred subscription right and providing of incomplete subscription. Delegation of powers to the Board of Directors.
- XIII. Delegation of powers for formalizing, interpreting, correcting and executing the resolutions adopted by the General Shareholders' Meeting.

PARTICIPATION OF PUBLIC NOTARY IN THE ANNUAL GENERAL SHAREHOLDERS' MEETING

The Board of Directors has agreed to request the presence of a Public Notary to draw up the minutes of the Meeting, in accordance with article 114 of the Law of Corporations regarding articles 101 and 103 of the Mercantile Register's rules and regulations.

RIGHT TO INFORMATION

Those shareholders that so wish may study and obtain copies of the documents that in of relation to points of the Agenda, will be submitted for approval by the Shareholders' Meeting at the Company's headquarters, or may request that these be sent to them free of charge , along with any other compulsory reports.

RIGHT TO ATTEND

Every shareholder shall be entitled to attend the General Shareholders' Meeting who holds, at least, 300 shares entered in the shareholder's name in the pertaining registry of account entries no less than five business days before the date on which the General Meeting is to be held, and provided, also, that each shareholder documents such circumstance by means of the corresponding attendance card, or else, by producing a certificate issued by any subscribed Entity to the Spanish Securities Clearance and Settlement Service, or by any other means contemplated under the legal provisions in force.

Shareholders who hold a lesser number of shares shall be allowed at any time to delegate to representation thereof upon a shareholder enjoying the right to attend the Meeting, and they shall also be entitled to join other shareholders in a similar situation, in order to reach, jointly, the required number of shares, it being understood that the group is obliged to bestow its representation upon one of its members

Shareholders should be aware that the Shareholders' Meeting will most probably be held at second call on June 15th, 2001, at 10:00 a.m. at the place previously stated.

Madrid, May 23rd, 2001

THE GENERAL SECRETARY AND SECRETARY OF THE BOARD OF DIRECTORS
ANTONIO ALONSO UREBA