

January

- Telefónica Móviles launches GPRS (General Packet Radio Service) data services in Spain and Morocco. This technology is a step behind UMTS. The e-moción service goes live in Argentina.
- Terra Lycos launches the first bilingual WAP portal, reaches agreement with MedicinaNews.com to launch its health channel, and acquires Raging Bull and Iberwap.
- Telefónica de España presents its strategic plan for broadband fixed telephony and launches FonoM@il, an interactive service allowing telephone access to e-mail without the need for a PC.

February

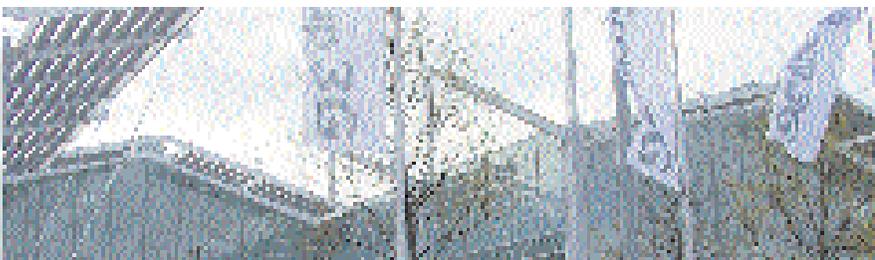
- Telefónica and Portugal Telecom announce their agreement for the creation of a joint venture grouping all of their mobile telephony assets in Brazil. Telefónica Data Brasil Holding is incorporated as a vehicle for the corporate services business in Brazil. One month later, Telefónica Data commences its operations in Peru.
- Terra Lycos launches Spain's first voice portal one month after the Telefónica de Argentina voice portal becomes the first of its kind in Argentina.
- Telefónica de España offers its on-line answering service to ISDN users and launches the flat rate pre-paid Internet card.
- Telefónica Móviles España successfully completes the first tests of experimental UMTS systems in collaboration with Ericsson, Motorola and Nokia.

March

- Telefónica Móviles signs an agreement with Motorola to take over the management of the four Mexican operators Bajacel, Movitel, Norcel and Cedetel. Share capital is also increased to absorb the cell-phone assets of Telefónica del Peru into the Group as a part of the transfer of the Telefónica Group's mobile assets to Telefónica Móviles.
- Terra Mobile commences operations in Brazil, the company's first Latin American market.
- Emergia, Telefónica's broadband fibre optic system, completes the first high capacity ring linking Argentina, Brazil, Puerto Rico and the United States and becomes the first network to connect Latin America and the United States along the whole of the Atlantic seaboard.

April

- Iberdrola and Telefónica agree to swap the electricity utility's holdings in Brazilian telecommunications operators for shares of Telefónica, S.A.
- Terra Lycos launches Terra Caribe, and is now present in a total of 42 countries.
- Telefónica and BBVA embark upon three key initiatives within the framework of their strategic alliance: the acquisition by Terra of an equity stake in the on-line bank Uno-e; the unification of the telephone service businesses of both groups worldwide in Atento; and the investment made by Telefónica Media in BBVA Ticket, the bank's electronic ticket sales vehicle.
- Telefónica Data Perú commences operations
- TPI Brasil achieves a 20% market share with the simultaneous publication in paper, on-line, telephone and WAP formats of the first edition of Guía Maís in the city of São Paulo. Following the publication of the São



Paulo guide, further editions are released for Guarulhos, Ribeirao Preto and Curitiba (Paraná State).

- Telefónica Telecomunicaciones Públicas (TTP) announces a Ptas. 10 billion investment over the next two years to create a network of 100 N@veg@web public Internet centers equipped with ADSL connection.

May

- Telefónica Móviles manages over 25 million subscribers in the first quarter of 2001.
- Atento commences its operations in Mexico.
- Vía Digital presents the first flat rate charge for digital television. At the same time, Antena 3 launches Contxta, the first cell-phone based text-messaging service allowing interactive communication between a television station and viewers.
- Katalyx Food Service, a Telefónica Group Internet and e-commerce initiative aimed at the catering industry, makes a strategic agreement with Federación Española de Hostelería y Restauración (FEHR - the Spanish Federation of Caterers and Restaurateurs) to provide e-commerce solutions for the sector.
- Telefónica strengthens its carrier business and upgrades services for major customers.

June

- César Alierta chairs the Annual General Meeting in Madrid for the first time and announces that Telefónica will have 100 million customers by 2004.
- Telefónica Móviles's shareholders approve the annual accounts for 2000

and authorize share capital increases to fund growth in Brazil. The SMS chat service is also launched in Brazil.

- The German regulatory body, Reg TP, authorizes infrastructure sharing by cell-phone operators to roll out UMTS networks. This decision is highly positive for Group 3G, in which Telefónica Móviles holds a 57.2% stake (42.8% Sonera).
- Telefónica launches an information system designed to provide operators with details of lines as part of the process of opening the local loop in Spain. The Company also announces proposals to speed up the process, resolving six of the seven requests made by Astel, the operators' association.
- Banco Itaú, Latin America's largest financial group by market capitalization, and the Telefónica Group, Brazil's leading telecommunications group, enter into a ground-breaking alliance to construct a differentiated model for their operations and business in the Brazilian market.
- Telefónica de España launches a wireless Internet access route allowing the use of ADSL technology.

July

- Telefónica Móviles acquires the Mexican operators Norcel, Cedetel, Bajacel and Movitel, and exceeds 26.5 million subscribers managed in the first half of 2001. With over 15 million subscribers in Spain, the Company completes the rollout of its new transmission network using ATM/IP technology.
- Group 3G, Telefónica Móviles' German subsidiary signs a UMTS interconnection agreement with Deutsche Telekom AG.
- Telefónica de España, TPI Páginas Amarillas, BBVA, Repsol YPF and Iberia announce the creation of Adquira, Spain's largest B2B e-commerce platform.
- Terra España launches the first multimedia zone with Broadband con-



tent and services. In Argentina, Terra reaches an agreement with CTI that will provide that company's users access to Terra's WAP portal.

- Vía Digital unveils its special programming for the 2002 Football World Cup to be held in Japan and Korea. The platform holds exclusive rights to broadcast the top international tournament in Spain.
- Telefónica, S.A. begins the process of defining the basic values for the new Telefónica corporate culture. This will lay the foundations for the "multi-domestic" business strategy presented by the chairman to investors, management and shareholders some months before.

August

- Terra Lycos completes its investment in the share capital of Uno-e.
- Telefónica de España extends the automatic answering service to all conventional lines.

September

- In Brazil, Telesp manages to meet, two years ahead of schedule, the goals set by Anatel, the country's regulatory agency. The certification, which will be obtained in February 2002, will allow the expansion of the fixed-line business to the entire country.
- Telefónica Media approves its future name change to Admira.
- Telefónica de España launches Broadband services for end-users and announces that it expects to gain one million subscribers by 2003.
- Telefónica Data announces the start of operations in the United States with the opening of its first Telefónica Data Internet Center ("KeyCenter") for large corporations and new economy players (dot.com firms, etc.).

- The head offices of t-gestiona España, a subsidiary of Telefónica Gestión de Servicios Compartidos, is opened in Madrid. This subsidiary will provide financial and human resources management services to Group companies. The business is already operating in Argentina, Brazil, Chile, Miami and Peru, and is in the start-up phase in the Mexico-Central America region.

October

- Telefónica Móviles presents Quam, the new brand under which telecommunications services will be provided in Germany by Group 3G, winner of one of the six third generation (UMTS) mobile telephony licences awarded by the Federal government in August 2000. The Móviles group announces that assets under management exceed 27.8 million.
- Telefónica Móviles España earmarks more than 12 million euros to "open up the third generation business model" through Movilforum 2001, a trade fair providing a forum for companies involved in the development of new generation mobile services, especially content and applications.
- Terra launches ADSL Plus, a unique proposal in the pay content and services market, as part of its strategy of offering value added content and services. At the same time, Terra announces the acquisition of the brand, rights and key assets of Decompras.com, a leading e-commerce firm in Mexico and Latin America.
- Telefónica sponsors the 2nd International Congress of the Spanish Language in Valladolid, organized by the Spanish Royal Academy and the Cervantes Institute and jointly chaired by His Majesty the King of Spain and the Presidents of Argentina and Mexico. Telefónica presents some of its latest language applications developments.



November

- Telefónica Data launches its new e-mail services platform. The new Correo Colaborativo mail service meets the needs of major corporations that source e-mail externally and require solutions outside their own facilities but with dedicated infrastructure for their business.
- Telefónica presents Admira, the new brand for the Group's media and content subsidiary providing open radio and television, pay-TV and content management in the 23 countries and four continents in which it has a presence. The subsidiary also announces the creation of a new company to centralize audiovisual content purchases for all of the Group's media.
- Terra launches the first Broadband online games platform, exclusively for its ADSL subscribers. At the same time, it goes live with the market's most powerful e-mail marketing tool, which is based on a segmented population of 2.5 million people.
- Telefónica de España launches its Recarga Móvil service, enabling users to charge mobile use to an associated fixed line subscription. On the other hand, the process to adapt its public telephone booths to the euro continues.
- Quam extends its commercial network in Germany and launches its first commercial services.
- Teleinformática y Comunicaciones (Telyco), a wholly-owned subsidiary of Telefónica de España, commences commercial operations in Morocco through its 54% holding in the new company Telyco Maroc, S.A. as a mobile wholesaler for Meditel, Telefónica Móviles' Moroccan subsidiary.

December

- Telefónica Móviles and Mitsui sign a global agreement to develop the mobile Internet business. Under this agreement Mitsui will supply multi-

media content for high-speed 2.5G and 3G networks, as well as B2B and B2C services. In Spain, Telefónica Móviles offers animated logos and melodies for new multimedia handsets over e-moción.

- Telefónica and Microsoft enter into a strategic agreement to co-operate in the areas of technology and sales. Under the agreement both companies will exchange information on technology providers, launch plans, and product and service upgrades, and includes Telefónica in Microsoft's global list of reference entities.
- TPI-Páginas Amarillas launches two new products, Páginas Amarillas de Bolsillo and Pack Nueva Vivienda (Pocket Yellow Pages and New Home Pack). These products are basically aimed at advertisers, providing tailored copy, with greater profitability and segmentation by target public.
- The Telefónica Foundation presents the new Merc@adis and CEAPAT (State Center for Personal Autonomy and Technical Assistance) portals to foster the integration of disabled people in the labour market.
- Telefónica de España announces that it will close the year with 27 switching stations and 600,000 pairs available for the opening of the local loop as a part of its commitment to compliance with prevailing regulations in this area. The Company also declares its intention of cutting rates for inter-provincial and provincial calls in Spain by 19 and 14%, respectively.
- The Terra portal in Argentina celebrates its second year of activity, having positioned itself as one of the three most popular sites among Argentinean web surfers. Major agreements made by the portal include those with Disney Blast, MTV, ZDNet, Telefé, Azul Televisión, Radio Continental and leading news agencies. In Spain, Terra reaches 120,000 ADSL customers.
- Telefónica Factoring launches commercial operations in Brazil through its subsidiary Telefónica Factoring Brasil, aimed at providing liquidity to the Telefónica Group's Brazilian suppliers.

