

SHAREHOLDERS' MEETING 2001

QUORUM AND RESULTS OF THE VOTE

Attendance To The Shareholders' Meeting

Shareholders attending:	907
Shareholders represented:	110,936
TOTAL SHAREHOLDERS:	111,843
Shares present:	2,277,209
Shares represented:	1,772,729,452
TOTAL SHARES:	1,775,006,661
PERCENTAGE OF SHARE CAPITAL:	39.02%

Votes On Resolutions Made

Below we list the resolutions put forward at the shareholders' meeting and the results of the voting for each of them. For a more detailed description of the resolutions passed please see the "Resolutions Adopted" document.

Points on the agenda	Summary of the resolution	Votes in favour		Votes against	Abstentions		Results of the vote
I	Approval of the 2000 annual financial statements	1,748,816,070	(98.52%)	2,431,601 (0.14%)	23,758,990	(1.34%)	Passed
II	Re-election and appointment of Board Members	1,770,112,345	(99.72%)	2,400,981 (0.14%)	2,493,335	(0.14%)	Passed
III	Re-election auditor of Arthur Andersen and Cia, S.Com. for 2001	1,773,757,179	(99.93%)	67,065 (0.00%)	1,182,417	(0.07%)	Passed
IV	Application to the Tax Authorities for "Telefónica, S.A." and its subsidiaries to continue to pay taxes under the consolidated tax regime in 2002, 2003 and 2004	1,770,452,310	(99.74%)	70,886 (0.00%)	4,483,465	(0.25%)	Passed
V	Authorisation during a period of 18 months to buy back shares up to a maximum of 5% of share capital.	1,771,005,865	(99.77%)	408,521 (0.02%)	3,592,275	(0.20%)	Passed
VI	Capital increase with a charge against unrestricted reserves	1,770,523,268	(99.75%)	1,456,695 (0.08%)	3,026,698	(0.17%)	Passed
VII	Authorisation for the Board of Directors to increase capital according to the terms and conditions established by section 153.1.b) of Spanish Company Law, for a maximum period of five months, with or without pre-emptive subscription rights	1,753,847,252	(98.81%)	1,515,160 (0.09%)	19,644,249	(1.11%)	Passed
VIII	Delegation of powers to the Board of Directors to issue fixed-income securities, convertible or exchangeable for Company shares, for a total of Euros 2,000 million	1,754,252,151	(98.83%)	2,132,510 (0.12%)	18,622,000	(1.05%)	Passed
IX	Authorisation for the company to issue fixed-income securities, convertible or exchangeable for Company shares, for a total of Euros	1,753,744,302	(98.80%)	2,526,323 (0.14%)	18,736,036	(1.06%)	Passed

	2,000 million, excluding pre-emptive subscription rights						
X	Capital increase through non-cash contributions for a nominal amount of Euros 174,700,000 for the acquisition of mobile operators in northern Mexico	1,562,803,466	(88.04%)	192,816,140 (10.86%)	19,387,055	(1.09%)	Passed
XI	Supplementary decisions relating to the Company's stock-option plan – Plan TOP	1,539,073,783	(86.71%)	203,885,365 (11.49%)	32,047,513	(1.81%)	Passed
XII	Capital increase of Euros 1,425,624, as a hedge for the remuneration scheme linked to the stock-option plan for Endemol employees	1,549,884,467	(87.32%)	205,200,746 (11.56%)	19,921,448	(1.12%)	Passed
XIII	Delegation of powers to formalize, interpret, modify and execute any resolutions adopted at the Shareholders' Meeting	1,770,841,193	(99.77%)	1,131,124 (0.06%)	3,034,344	(0.17%)	Passed

Resolutions proposed by shareholders during the meeting:

to agree to take social responsibility action against the Company's management.

During the shareholders' meeting held on June 15 2001, Alvaro Barreiro Alvarez, on behalf of Manuela Alvarez de Castro, holder of 534 company shares, asked to put the following resolution to the vote:

Taking into account the damages caused to the Company, it was requested that a motion of liability be brought against those members of the Board who voted in favour of compensating, or did not oppose the compensation of Board members leaving the Company in 2000, and/or who failed to propose, if they were at the same time members of this Company's Board or that of its holding subsidiary, Telefónica de España, S.A., that no employee redundancies should be made at this company during that year.

This resolution was rejected with 2,273,757 votes against, only 2,266 votes in favour and 1,186 abstentions. Votes belonged exclusively to shareholders attending the meeting and therefore votes delegated to the Board of Directors were not included.