



[*shareholder structure*]

Most significant shareholders

	Percentage	Total Shares	Direct Participation Percentage	Direct Participation Shares	Indirect Participation Percentage	Indirect Participation Shares
BBVA(*)	5.519	263,022,186	1.679	0,025,280	3.840**	182,996,906
«La Caixa»(***)	3.6%	-	-	-	-	-

(*) As per information provided by this company in its Annual Accounts as at December 31st, 2002 the participation held per permanence criteria in Telefónica's capital is 5.28%.

(**) Participation held via Corporación Industrial y de Servicios S.L., Argentaria Participaciones Financieras, S.A. and other companies. As per notification remitted to the CNMV on June 5th, 2002.

(***) As per data provided by Caja de Ahorros y Pensiones de Barcelona, («La Caixa») on their Website, updated January 16th, 2003.

3.1 Most significant shareholders

Insofar as the Company shares are represented via accounts' entries, i.e. the Company itself does not keep a shareholder register, the ownership structure of the same cannot be known precisely, except for some basic data, obtained essentially via the X-25 form, which the Company is legally authorised to request where holding any General Shareholders' Meeting.

In this sense, and pursuant to the information existing in the Company, we can say there is no individual or corporate body which directly or indirectly, alone or jointly, exercises or may exercise any type of control over Telefónica. Nevertheless, there are certain shareholders whose participations may be considered significant and are those in tabular format above described.

Besides such shareholdings, as per notification remitted to the CNMV on January 8th, 2003, Chase Manhattan Nominees Ltd., had a 6.80% participation in Telefónica's capital as custodian, i.e. this participation is held on behalf of and under the responsibility of its clients.

Finally, the financial body, Citibank, NA was holder of 263,022,855 shares, i.e. 5.6% of Telefónica's share capital at February 1st, 2002 according to internal reports drafted by the Company itself. The said participation is held to the effects of that laid in the Depositary Agreement signed between the Company and Citibank NA on behalf of and under the responsibility of the ADR holders to the effects of the issuance and negotiation of the aforementioned securities on the New York Stock Exchange.

Pursuant to that laid down in the said contract, Citibank NA is obliged to exercise the corresponding political and economic rights as holder of the aforementioned actions following the instructions established by the ADR holders as stipulated in the depositary agreement terms and conditions.

3.2 Number of shareholders

Pursuant to the information obtained from the Servicio de Compensación y Liquidación de Valores (Securities Compensation and Settlement Service, hereinafter, «SCLV») on March 3rd, 2003⁷ the number of Telefónica shareholders as per individualised registers of both individual and corporate entities, amounted to approximately 1,698,326 shareholders.

(7) Since there is no Company shareholder register, the latest data obtained by Telefónica are included in the X-25 form requested by the Securities Compensation and Settlement Service when the next Ordinary General Shareholders' Meeting is to be held.