

# shareholders and investors

returns and transparency

## 1

Telefónica sets up communication channels with its shareholders...

### 1.1

Shareholders' information service

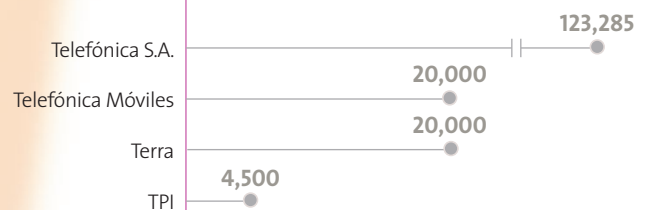
→ 1,698,326

Shareholders of Telefónica. 3 March 2003.  
(Securities Clearing and Settlement Service)

### 1.2

Toll-free shareholders helpline

Number of enquiries in 2002



### 1.3

General Shareholders' Meeting

→ 54,904

Number of votes by proxy at the General Shareholders' Meeting

### 1.4

Presence in Shareholders' Forums

## 2

... and with the financial community...

### 2.1

**II Investors' Conference**  
(Seville, March 2002)

→ 275

Investors and analysts attended the conference

→ 139,499

Presentations downloaded from Telefónica's website

### 2.2

**Mailing of relevant information**

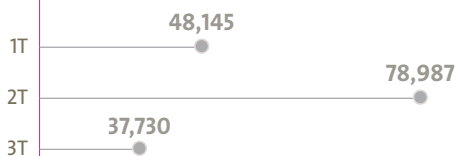
→ 121

Documents sent in 2002

### 2.3

**Quarterly publication of financial results**

Number of downloads of quarterly results



### 2.4

**Participation in Investors' Forums**

## 3

... offering complete and transparent information

### 3.1

**On-line information**

Number of sessions in 2002

→ 322,762

Shareholder website  
[www.telefonica.es/accionista](http://www.telefonica.es/accionista)

→ 223,052

Investor Relations website  
[www.telefonica.com/ir](http://www.telefonica.com/ir)

### 3.2

**Investors and analysts with socially responsible investment criteria**

FTSE4Good

[www.ftse4good.com](http://www.ftse4good.com)

Member of

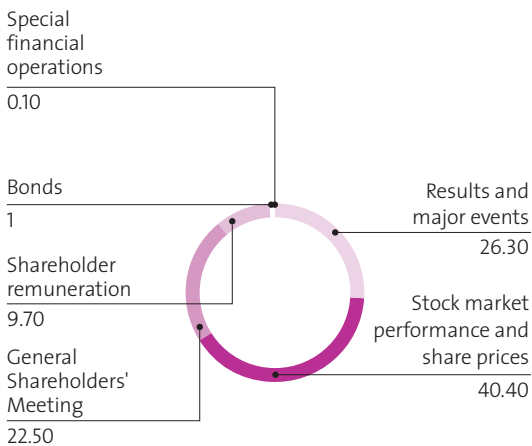
Dow Jones Sustainability Indexes

[www.sustainability-index.com](http://www.sustainability-index.com)

# shareholders and investors

## returns and transparency

### Distribution of queries addressed to the shareholders' information service of Telefónica S.A. (data in percentages)



### Minority shareholders

**1,698,326**

Telefónica S.A.  
minority shareholders

**197,284**

registered resident  
minority shareholders

### 1 Telefónica sets up communication channels with its shareholders

#### 1.1 Shareholders' information service

In 1997 Telefónica set up its shareholders' information service in order to offer private shareholders a transparent and free-flowing communication so that they are provided with Company information at the same level as institutional investors.

According to data obtained as of 3 March 2003 from the Spanish Central Securities Depository, the number of Telefónica S.A. shareholders, including natural persons and legal entities, totalled 1,698,326.

Two hundred thousand shareholders are currently registered with the shareholders' information service, who have available all of the information regarding Grupo Telefónica, both in terms of results and any other information regarding the company that may be relevant to their investment. «Acción Telefónica» is a quarterly publication sent by Telefónica to all its registered shareholders in Spain.

#### 1.2 Toll-free shareholders' helpline

As part of its effort to provide its shareholders with the fullest possible information, Telefónica's Shareholder Information Service has set up a toll-free information line for minority shareholders. In 2002 this line dealt with 123,285 queries.

**900111004**

Toll-free telephone information  
helpline for Telefónica S.A. shareholders

The same service is also available to Telefónica Móviles, Terra and TPI shareholders. These three companies totalled 44,500 calls during 2002.

## Recognition of Telefónica's achievements by the financial community

- Europe's second leading company in terms of transparency (according to a study completed early in 2002 by Reuters and the «Institutional Investor magazine», which assessed the quality, detail and speed of response to investors' queries).
- Europe's number one company in Investor Relations in the telecommunications sector (July 2002, Thomson Extel Survey).
- Europe's second best Investor Relations web site and the third best European company in the use of virtual multi-conferencing (Investor Relations magazine).
- Best on-line annual report for Spain and Portugal, as well as runner up in the Investor Relations web site category (MZ Consult, Brazil).
- Telefónica CTC Chile received an award for having one of the best Investor Relations web sites in Latin America («Latin Finance» magazine).
- Second best Investment Relations team in the telecommunications sector, according to a survey carried out by the financial magazine «Institutional Investor» amongst institutional investors at the beginning of 2003.

In addition to these calls, a further 2,389 queries were dealt with through the Shareholder Information web site, as well as 2,360 requests for information and/or shareholders' letters.

agement teams into closer contact with the financial community, represented on this occasion by 275 investors and analysts. The various presentations were later published on the Investor Relations web site, and were downloaded 139,499 times.

### 1.3 General Shareholders' Meeting

Shareholders receive the support and back up from the Shareholders' Office in all matters concerning this Meeting. During the meeting held in 2002, this Office dealt with the following:

- 54,904 delegations of votes on shareholders' behalf
- 20,000 telephone calls to the shareholders' information helpline
- 130 mailshots information regarding the General Meeting

### 1.4 Presence in shareholders' forums

Telefónica was present at the «Bolsalia» forums held in Madrid, Barcelona and Valencia in 2002, during which representatives from the Telefónica's various business lines quoted on the Stock Market offered shareholders an insight of the Company's strategic vision and financial development.

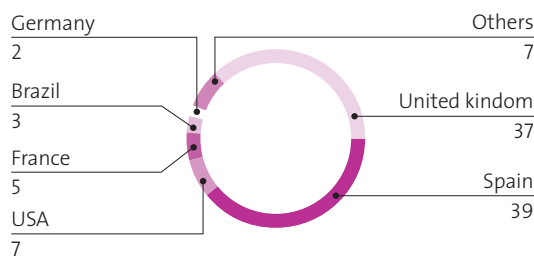
## 2 ... and with the financial community...

### 2.1 II Edition of the Investors Conference

Telefónica held the second edition of its Investors' Conference in March 2002. Its aim was to bring man-

### Distribution of delegates attending the II Investors' Conference

(data in percentages)



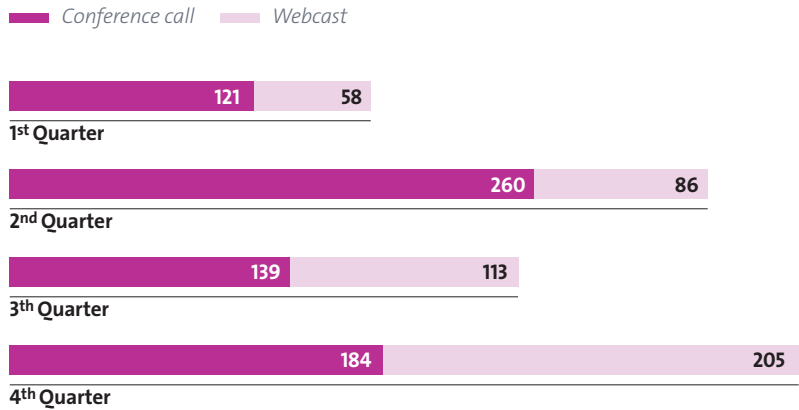
### 2.2 Mailing of relevant information

Telefónica regularly sends out information regarding its database of previously registered analysts and investors and publishes it on its Investor Relations website. In 2002 a total of 121 reports were published and mailed.

### 2.3 Quarterly publication of financial results

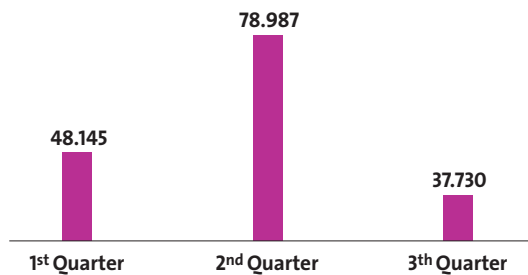
In keeping with the requirements of transparency and fairness, Telefónica's quarterly financial results are made available through a number of distribution channels. However, particularly worthy of mention is the fact that this information may be downloaded on-line from the Investor Relations web site.

## Listeners to the presentation of results via audio-conference



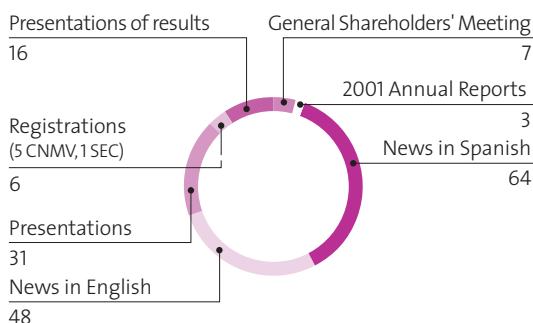
## Results presentations downloaded from the web site in 2002

(data in thousands)



## Distribution of published information

(data in units)



Besides distributing written documents, Telefónica also holds audio-conferences during which company representatives present and analyse the results obtained. These audio-conferences are followed by a large number of listeners, both over the telephone and the Internet.

## 2.4 Participation in investors forums

Throughout 2002, Telefónica took part in a number of meetings organised by investment banks to present the most important aspects related to the company. These forums included:

- JPM CEO Conference (April 2002) and Global Bond and Risk Management (May 2002) organised by JP Morgan.
- Telecommunications in Spain, Italy and Portugal (June 2002) organised by Santander Central Hispano.
- TMT Conference (September 2002) organised by Schroeder Salomon Smith Borney.
- BNP Telecoms Conference (October 2002) organised by BNP Paribas.

## 3 ... offering complete and transparent information

### 3.1 On-line information

As part of its commitment to transparency in providing information of value regarding the Company, Telefónica has designed a website specifically for its minority shareholders and another for the financial community, although the same information may be accessed on either site. These pages may be consulted by anyone seeking information, whether they are a shareholder of the Company or not.

Shareholders' website  
[www.telefonica.es/accionista](http://www.telefonica.es/accionista)  
 Investor Relations website  
[www.telefonica.com/ir](http://www.telefonica.com/ir)

Le esperamos en

TELEFÓNICA		
Último:	8,50	Rango día: 8,69 - 8,50
Cambio:	0,10	
Cambio %:	1,16%	Rango Anual: 15,04 - 7,16
Vol. (17:35)		

TELEFÓNICA EN OTROS MERCADOS		
	Último	Dif.
TELEFÓNICA ADR (NYSE)	27,49	-0,70 -
TELEFÓNICA (FRANKFURT)	0,35	-0,32 -
TELEFÓNICA (PARIS)	0,64	-0,01 -
TELEFÓNICA BDR (SAO PAULO)	32,70	-0,80 -
TELEFÓNICA S.A.	35,00	0,50 +
TELEFÓNICA ADR (LIMA)	27,00	1,60 +

telefonica.es

Bienvenido al mundo

presentaciones y evento  
 EURO BOND OFFERING  
 Febrero de 2002

resultados trimestrales  
 Enero-Septiembre 2002, o  
 correspondiente al Tercer T

calendario financiero  
 Publicación de Resultados  
 Resultados correspondientes

últimas noticias

27/02/2002  
 Telefónica incrementó la  
 euro y redujo la deuda

During 2002 the Investor Relations website received a total of 223,052 visits, an increase of 150% in comparison with the previous year.

Likewise, the Shareholders' Office website received a total of 322,762 visits in 2002.

The amount of information downloaded by users visiting the Investor Relations website during 2002 totalled 858,691 «pdf» files, an increase of 76% over the previous year's figures. The most frequently consulted files were those providing details of quarterly results, the presentations from the II Investors' Conference, a number of presentations made by senior management members at various forums and the official brochures and leaflets published by the Company.

Telefónica S.A.'s 2001 Annual Report was visited online a total of 135,000 times, and was downloaded in «pdf» format 200,000 times, in addition to the publication of 47,500 copies in paper format.

**3.2 Investors and analysts with socially responsible investment criteria**

During the 2002 financial year, Telefónica has answered 19 surveys including non-financial information, directed at investors with socially responsible investment criteria. As a result of its effort to promote its transparency before its investors, Telefónica has been included in the FTSE4Good, Ethical Euro and Ethical Global indexes, and has also reasserted its presence on the Dow Jones Sustainability Index.

**Number of sessions in 2002**

**223,052**  
 Investor Relations website

**322,762**  
 Shareholders' website

**Pages viewed in 2002**

**+150%**  
 Investors Relations

**Investor Relations website**

**858,691**  
 «pdf» files downloaded  
 (+75% than 2001)

**175**  
 new files published  
 on the web in 2002

