



10

Media: information and transparency

10/01

interest in
Telefónica
activities

Telefónica
presence in the
media is constant
and creates
interest in
different
audiences

REFERENCES TO TELEFÓNICA

74,093

written press in Spain

10/02

complete,
accurate
information

Telefónica
undertakes an
important effort in
offering complete
and rigorous
information to
the media

PRESS RELEASES

2,905

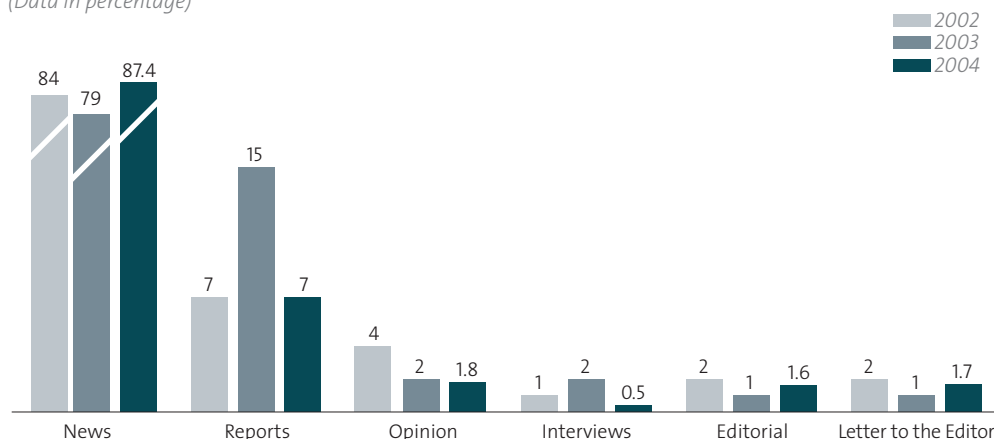
published in 2004

Telefonica

The trust of our stakeholders is strengthened by a policy of transparent communications with the media, considering its great interest in offering information about the Telefónica Group

PRESS COVERAGE OF THE TELEFÓNICA GROUP IN SPAIN (10-1)

(Data in percentage)



The Telefónica Group promotes a policy of communication based on truth and transparency, through permanent interaction with the media. The Company, through its Corporate Communication Department and the Communication Departments in the various business lines, maintains a close relationship with the media in all its operating markets, facilitating a continual flow of information.

Likewise, the Corporate Communication Department carries out coordination tasks to guarantee the coherence of strategic, financial and operational news, working closely with the other Company Departments in communication with the market, primarily in reporting relevant facts, in the different quarterly and annual result publications, as well as the preparation of the respective reports addressed to the Company's stakeholders.

01 INTEREST IN TELEFÓNICA'S ACTIVITIES

The presence of Telefónica in the media is of interest to many different audiences. During 2004, the Telefónica Group appeared in the printed Spanish press 74,093 times, which represents an average of 200 news items and mentions of Telefónica every day. The companies most frequently referred to in the press were Telefónica S.A., Telefónica Móviles and Terra.

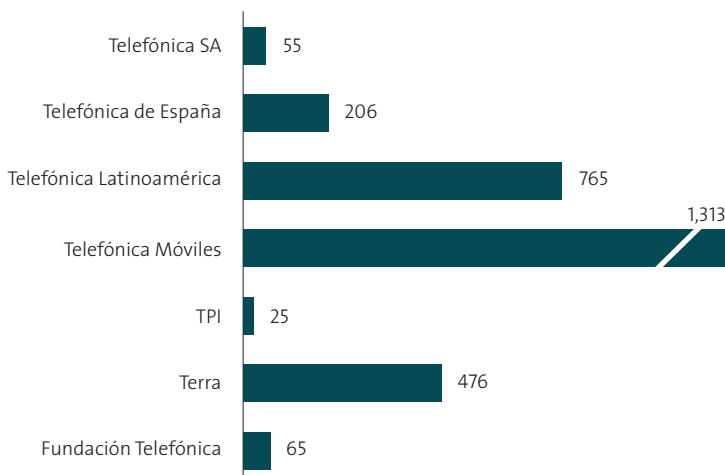
The type of coverage given by the media to the Telefónica Group is fundamentally news (87.4%) and reports (7%).

02 COMPLETE, ACCURATE INFORMATION

The Telefónica Group issued 2,905 press releases throughout the 2004 year. By categories, the issues that featured most regularly were financial press releases and those dealing with strategy and investment in 2004. This distribution allows the Telefónica communications to adapt to the business needs of each of the countries, as well as to the informative needs of the local media.

DISTRIBUTION OF TELEFÓNICA GROUP PRESS RELEASES BY BUSINESS LINES (10-02)

(Data in units)

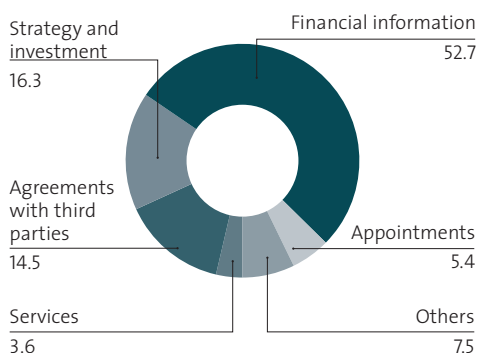


On a geographic level, distribution is quite balanced between the countries, the most active of which are Spain, Brazil and Chile. In terms of lines of activity, the most active in issuing press releases was Telefónica Móviles with 1,313 of the total published by the Telefónica Group, followed by Telefónica Latinoamérica with 765 and Terra with 476.

Together with the Press Releases and the information supplied online, the ongoing personal contact with the media on a day-to-day basis is of particular relevance.

DISTRIBUTION OF TELEFÓNICA GROUP PRESS RELEASES IN SPAIN BY TOPICS (10-3)

(Data in percent)



CASE STUDY

INFORMATION SUPPLIED ONLINE (10-4)

Online Press Room

In order to foster transparency and make information more accessible, the Telefónica Group has an Online Press Room (www.telefonica.es/saladeprensa) with the following services:

- Publication of all press releases since 1997.
- Search service for press releases organised by country, line of activity and dates, including a direct search service.
- Download of more than 300 photographs, senior Managers' profiles and CVs, graphs and results.
- Real time consultation of Telefónica share prices.
- Link to the websites of the companies in the Telefónica Group.

This channel received 82,073 user sessions in 2004 and provided 531,701 downloads covering different information.

Telefónica Website

It is also important to highlight that in January 2004, the first stage of the *Framework Plan for Telefónica on the Internet* was completed. The mainstays of this model are the *telefonica.country* websites, which became the reference portals for Telefónica on the Internet in each of the countries, channelling all the online relations between Telefónica and its customers. During the rest of 2004, the second stage of the *Framework Plan* was put into operation with a view to completing these developments and tackling the transformation of a large part of the rest of the online content. This work has been carried out under the aegis of the *Telefónica and Terra Strategic Agreement*, within the *Alquimia Project*.

In June 2004, Telefónica, in addition to the Group's other business divisions listed on the stock market, adapted its website to the *Corporate Transparency Act* and the new regulations of the *National Securities Market Commission (CNMV)*. The chief innovation was the creation of a new section: www.telefonica.es/accionistaseinversores, which became the main communication channel with shareholders and investors from that time on.

The Telefónica S.A. website has received two Awards:

- Award for the *Spanish company providing the most transparent and reliable corporate and financial information on the Internet*, awarded by the *Spanish Association of Accounting and Business Administration (AECA)* at its 3rd annual awards.
- *Investor Relations Websites and Online Annual Reports Global Rankings and Awards* (known as the MZ Awards): First prize in Spain for the Telefónica S.A. Shareholders and Investors Internet page and *the best Online Annual Report in Spain* for the Telefónica online Annual Report.

Other specific new sections

- In January 2004, a section was included that provides the online version of all the Annual Reports published by Telefónica since its foundation in 1924.
- In March 2004, a page specifically covering all the information related to the purchase of the *Bellsouth* mobile operations in Latin America was published.