



RAMIRO SÁNCHEZ DE LERÍN
Vice-General Secretary
and Vice-Secretary to the Board of Directors
TELEFÓNICA, S.A.

TELEFÓNICA, S.A., as provided in article 82 of the Spanish Stock Market Act (Ley del Mercado de Valores), hereby reports the following

SIGNIFICANT EVENT

Telefónica de España, S.A.U., a subsidiary of Telefónica, S.A., has today been notified of the Judgment of April 1st of the Spanish Competition Court (Tribunal de Defensa de la Competencia) in proceedings 557/03 ASTEL (the Spanish association of telecommunication services operators), for infringement of Article 6 of the Spanish Competition Law 16/89 (Ley 16/89 de Defensa de la Competencia) and Article 82 of the EC Treaty finding there to have been practices in abuse of a dominant position and imposing on it a fine of 57 million euros.

The Company expresses its intention to lodge a contentious-administrative appeal to the Spanish court “Audiencia Nacional” against this Judgment on the grounds that it deems it contrary to the law and, specifically, to the Competition Law 16/89 and to the Spanish Law on the legal provisions governing public authorities and administrative procedure (Ley 30/92 de Régimen Jurídico de las Administraciones Públicas y Procedimiento Administrativo) amongst others.

Madrid, April 6th, 2004.

SPANISH NATIONAL SECURITIES MARKET COMMISSION

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