

NOTIFICATION OF SIGNIFICANT EVENTTELEFÓNICA MÓVILES, S.A.

Madrid, May 18, 2004

In compliance with article 82 of Spanish Securities Market Law 24/1988, and related provisions, and in order to make it public as the notification of a Significant Event, we hereby inform you that the Board of Telefónica CTC Chile, S.A. ("**CTC**") has accepted a binding offer from Telefónica Móviles, S.A. ("**TEM**") for the acquisition of the 100% of the shares of Telefónica Móvil Chile, S.A., a subsidiary of CTC.

The price offered by TEM for the purchase of 100% of the shares of Telefónica Móvil Chile, S.A. is USD 1,007 millions. TEM will assume the outstanding debt of Telefónica Móvil Chile, S.A., which, as per March 31, 2004, accrued the amount of 243 millions USD.

The acquisition is conditioned upon the approval of the transaction by the Extraordinary Shareholders Meeting of CTC.

CTC is 43.6% owned by the Telefónica Group. TEM has been managing Telefónica Móvil Chile, S.A. since 2000.

And to serve as a record for the relevant purposes this notification has been issued at the place and date indicated above.

Antonio Hornedo Muguero
General Counsel
TELEFONICA MOVILES, S.A.