



ANTONIO J. ALONSO UREBA
*Director, General Secretary
and Secretary to the Board of Directors*
TELEFÓNICA, S.A.

Further to the notification registered on November 18th, 2004, Telefónica, S.A., as provided in article 82 of the Spanish Stock Market Act (Ley del Mercado de Valores), hereby

NOTIFIES

Pursuant to the agreement in principle reached between the parties, the ATCO Group, subsidiary of Telefónica de Contenidos, S.A., today entered into an agreement to sell 100% of the share capital of the companies Radio Continental LS4, S.A. and Radio Estéreo, S.A., radio operators in Argentina of the Telefónica Group, to the PRISA Group member companies, GLR Services Inc. and Corporación Argentina de Radiodifusión, S.A., for 10.5 million US dollars.

Execution of the transaction is subject to administrative authorisation by the Argentinean authorities.

In Madrid, on November 22nd, 2004.

SPANISH NATIONAL SECURITIES MARKET COMMISSION
- MADRID-