

SPANISH NATIONAL SECURITIES MARKET COMMISSION

-MADRID-

Madrid, February 28th, 2003

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

Today, February 28th, 2003, the Company will make a presentation of its 2002 results, primarily intended for investors and analysts. In the information to be given in the presentation, special emphasis will be placed on the data regarding the evolution of the key financial parameters in real terms; i.e., stripping out the effect of currency fluctuations and changes in the scope of consolidation. Those parameters are as shown below:

AT THE GROUP LEVEL

- Change in Revenues: Between +5 / 8%
- Change in EBITDA: Between +6 / 9%
- Change in EBIT: Between +18 / 21%
- Change in CAPEX: Between 0 / +3%
- Change in Cash Flow (EBITDA - Capex): Between +9 / 12%

AT THE TELEFÓNICA DE ESPAÑA GROUP LEVEL

- Change in Revenues: Between -3 / +0%
- Change in EBITDA: Between -4 / -1%
- Change in CAPEX: Between -15 / -20%

AT THE TELEFÓNICA LATAM GROUP LEVEL

- Change in Revenues: Between +6 / 9%
- Change in EBITDA: Between +4 / 7%
- Change in CAPEX: Between -2 / +1%

The Company will make the complete presentation publicly available on its website (www.telefonica.es / www.telefonica.com).

This presentation to analysts contains statements that constitute forward looking statements of the Company or its management. These statements appear in a number of places in this presentation and include statements regarding the intent, belief or current expectations of the customer base, estimates regarding future growth in the different business lines and the global business, market share, financial results and other aspects of the activity and situation relating to the Company.

Such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward looking statements as a result of various factors.

Analysts and investors are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation. Telefónica undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in Telefónica's business or acquisition strategy or to reflect the occurrence of unanticipated events. Analysts and investors are encouraged to consult the Company's Annual Report as well as periodic filings made with the regulatory organisms.