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

A TYPOGRAPHICAL ERROR HAS BEEN DETECTED IN THE TEXT OF SIGNIFICANT EVENT NUMBER 48071 REGISTERED BY THE COMPANY TODAY. FIND ATTACHED A NEW REPORT OF SIGNIFICANT EVENT THAT REPLACES AND CANCELS THE PREVIOUS ONE.

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

Telefónica S.A. and Telefónica Móviles, S.A., as provided in article 82 of the Spanish Stock Market Act (Ley del Mercado de Valores), and pursuant to the request served on them today by the Comisión Nacional del Mercado de Valores (Spanish Securities Markets Commission), hereby report the following

SIGNIFICANT EVENT

In accordance with article 83 of the Spanish Stock Market Act, Telefónica, S.A. and Telefónica Móviles, S.A. confirm that they are in negotiations with the United States company BellSouth for the acquisition of certain assets owned by the latter in Latin America.

Given the current state of the negotiations as at the present date, no information can be given on the final closing of the deal. In this respect, Telefónica, S.A. and Telefónica Móviles, S.A. cannot provide a possible determination of a price range for the transaction in order for such information to be released to the market, because important issues such as the regulatory and accounting implications and due diligence matters are still pending study and determination. Those issues will be decisive for the successful execution of the transaction and hence for the final eventual acquisition price.

Notwithstanding the above, Telefónica, S.A. and Telefónica Móviles, S.A. can confirm that they are considering a range of values of between 5.5 and 6 billion dollars for 100% of the firm value of those assets.

In Madrid, March 4th, 2004.