

Telefónica, S.A.

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**Nota de Prensa
Press Release**

04/12/03

TELEFÓNICA CONCLUDES ITS RESTRUCTURING

Madrid, 4 December 2003.- Telefónica's Board of Directors Committee for Appointments and Compensation, at the petition of the Group's chairman, has agreed to put forward Joaquín Agut Bonfills as CEO of Endemol and, as a consequence of the vacancy he leaves, to propose Joaquín Faura Batle as CEO of Terra.

At the same meeting, the Committee also agreed to appoint Luis Blasco Bosqued as General Manager of Telefónica Contenidos.

Luis Abril Pérez will become General Manager of Corporate Communications.

Alberto Horcajo Aguirre has been named head of Resources -he remains CEO of Atento- upon the resignation of Antonio Palacios Esteban, who the committee expressly thanked for his years of service and dedication to the Group.

Finally, a new Subsidiaries Area has been created, which will be overseen by Guillermo Fernández-Vidal.

This concludes the restructuring of Telefónica Group's organisational structure which now looks like this:

- 1. Three core businesses:
 - ◆ Telefónica Móviles
 - ◆ Telefónica de España
 - ◆ Telefónica Latinoamérica
- 2. A new Subsidiaries area, which encompasses TPI, Endemol and Telefónica Contenidos.
- 3. A simple and lean Corporate Centre, comprising just five areas:
 - ◆ Finances and Shared Resources
 - ◆ Development, Planning and Regulation
 - ◆ General Secretariat
 - ◆ Corporate Communications
 - ◆ Audit and Management Resources

Francisco de Bergia remains General Manager, Assistant to the Chairman, with his previous responsibilities.

These changes mark the end of the restructuring begun in September aimed at adapting the company's structure to bring this into line with an increasingly demanding industry, simplifying it and focusing more on servicing customers and promoting the Group's vision.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Telefónica, S.A.

Date: December 5, 2003

By: /s/ Antonio Alonso Ureba

Name: Antonio Alonso Ureba

Title: General Secretary and Secretary
to the Board of Directors