

Telefónica, S.A.

TABLE OF CONTENTS

Item		Sequential Page Number
1.	TELEFÓNICA STREAMLINES ITS ORGANIZATIONAL STRUCTURE	4

TELEFÓNICA STREAMLINES ITS ORGANIZATIONAL STRUCTURE

Fernando Abril-Martorell to discontinue his executive functions

- The process of restructuring the group and shedding assets and businesses has concluded
- The model seeks to adapt to the new management situation with a more simplified approach

Having culminated the process of restructuring the Telefónica Group and shedding various assets and business, and with the aim of adapting to the new situation and streamlined management areas, the Board of Directors has approved a new organizational model for the Company.

The key parts of the organizational transformation are:

Simplification of business lines by including the corporate business (Telefónica Data) in the Fixed Telephony business in Spain and Latin America, and disappearance of Admira.

Concentration of the corporate structure by bringing the Management Planning and Control area under the Strategy area, and Resources under Corporate Finance.

Under this streamlined structure the Chairman will now handle all executive functions directly, upon the disappearance of the position of Chief Operating Officer. As a result, Fernando Abril-Martorell, the current COO, will discontinue his executive functions as from October 1 and will stay on as advisor to the Chairman.

The Board of Directors wishes to thank Fernando Abril-Martorell for his work and dedication, as well as for his invaluable contribution to the notable development achieved by the Telefónica Group during the last seven years.

Madrid, September 24, 2003

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: September 24th, 2003

By: /s/ Antonio Alonso Ureba

Name: Antonio Alonso Ureba

Title: General Secretary and Secretary
to the Board of Directors