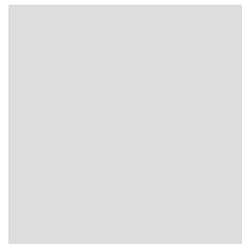
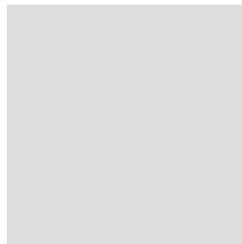
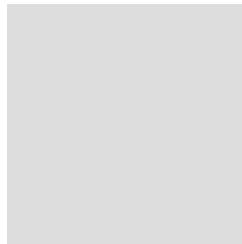




Telecommunications, Media & Technology Conference

*Antonio Viana-Baptista, Chairman & CEO
Telefónica Móviles, S.A.*



London, June 8th, 2005



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This presentation contains statements that constitute forward looking statements in its general meaning and within the meaning of the Private Securities Litigation Reform Act of 1995. 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. The forward-looking statements in this presentation can be identified, in some instances, by the use of words such as "expects", "anticipates", "intends", "believes", and similar language or the negative thereof or by forward-looking nature of discussions of strategy, plans or intentions.

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.

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This presentation contains financial information/data reported under IFRS. These data are preliminary, as only full compliance with International Financial Reporting Standards issued at 31/12/2005 is required, unaudited, and thus, being subject to potential future modifications. This financial information has been prepared based on the principles and regulations known to date, and on the assumption that IFRS principles presently in force will be the same as those that will be adopted to prepare the 2005 full year consolidated financial statements and, consequently, does not represent a complete and final adoption of these regulations.



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The “New TEM”: A differentiated combination of growth & CF generation



**ROBUST CF
GENERATION**

- Sustained outperformance of peers
- Unique profile in Europe (1Q05 data):
 - **47.5%** market share
 - ~ **53%** revenue share (E)
 - **7%** service revenue growth (1Q05/1Q04)
 - **47.5%** OIBDA margin
- Penetration continues to grow, supported by favourable macroeconomics prospects in the region
- **#1/#2** in key markets: best position to capture growth potential
- 2005: take-over of 11 companies without reducing pace of growth

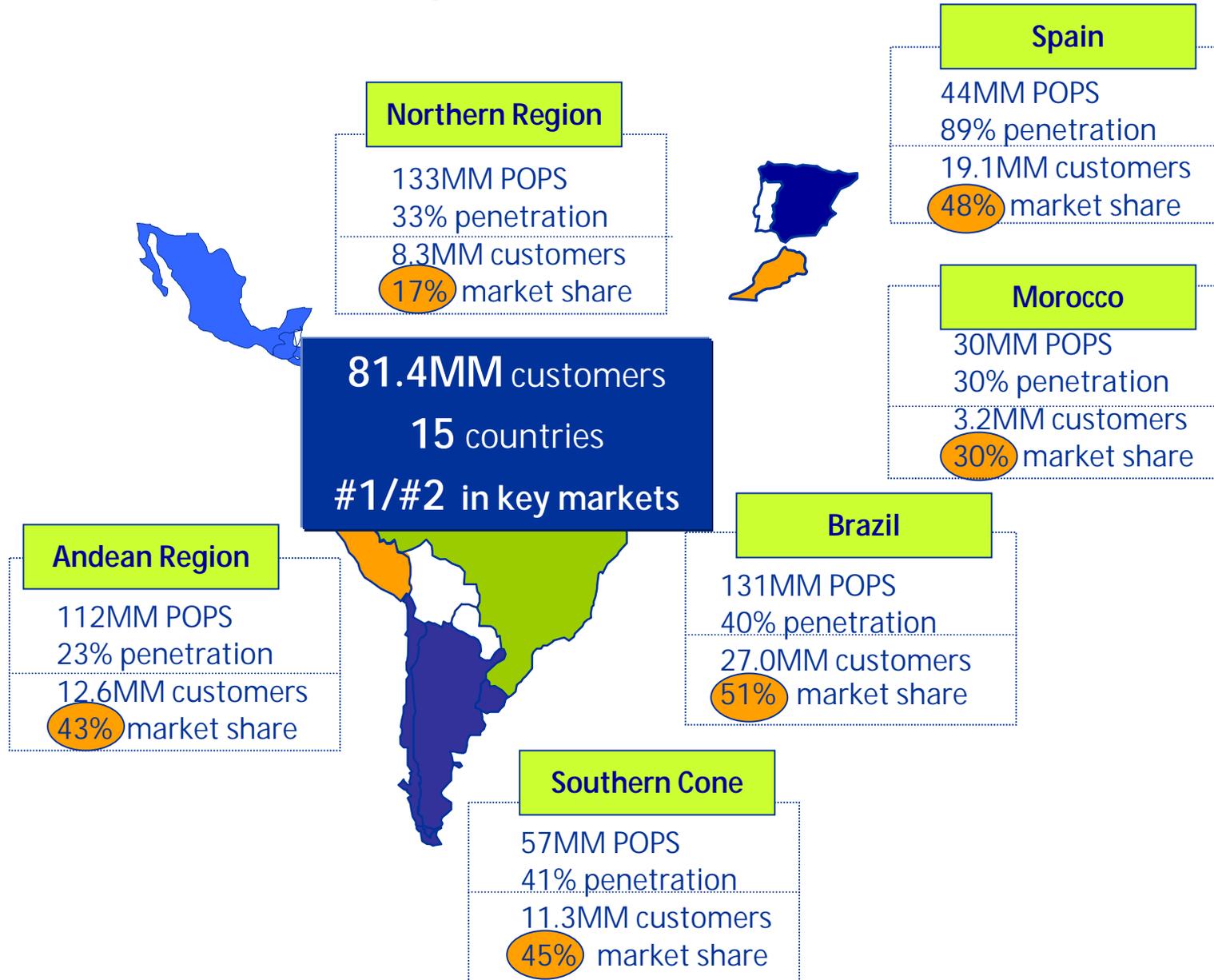
- **Capex** driven by increases in demand & traffic
- **04-08E Cumulative OCF¹ >€23Bn**

¹ OIBDA – Capex. All projections refer to local currency (constant exchange rates as of 2004) and exclude changes in consolidation other than assets acquired to BellSouth in Argentina&Chile in 2005.



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Our presence at a glance



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All data except TEM's customer bases refers to 2004YE. Customer data for 1Q05. Market share figures only include cellular customers.



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Our strategic priorities

- Sustain leadership in Spain and leading transition to 3G

- Drive penetration increases in Latin America and Morocco

- Boost profitability, capitalising on:
 - Regional management of operations
 - Integration of operators acquired to BS in Latam
 - Group skills

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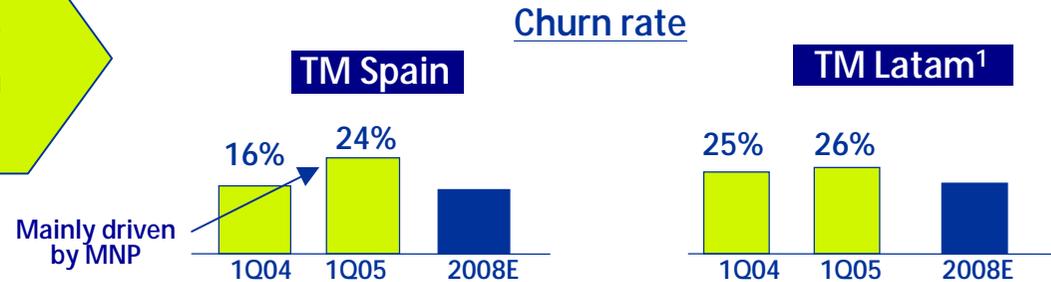


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Strategic business initiatives to leverage scale & know-how across the Group

Customer retention

- Reduce churn rate, retaining high value customers
- Optimise retention costs



Integrated commercial Offerings

- Integrated solutions with TEF wireline companies
- Additional growth where TEF does not have wireline operations.

Global solutions for the corporate segment

- Capitalize on Group strengths:
 - Expertise in developing customised solutions
 - Group Footprint
 - Group alliances (Freemove)
 - Group competitive advantage

Low income segment

- Lower entry and usage barriers fostered by decline in handset costs to encourage penetration
- Sustain profitability & customer value within the segment

Content & Data services

- Leading innovation to capture growth prospects
- Capitalise on Group "Best practices" to grow revenues in Latam
- Content: Leverage scale & centralised procurement



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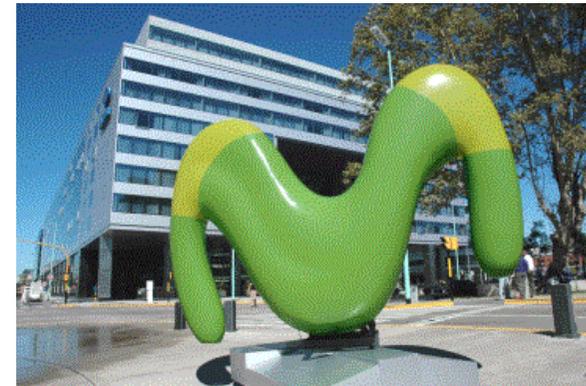
Brand: single brand in 13 countries

- Launched in April in all Spanish-speaking markets (13)

Rebranding

25,000 shops in 1 day
400,000 POS in 1 month

- Upfront expenses of €75MM recorded in 2Q05
- Brand awareness initial results exceeding expectations
- Very strong commercial activity in April and May
- €50MM annual savings from 2006
- Additional “intangible” benefits

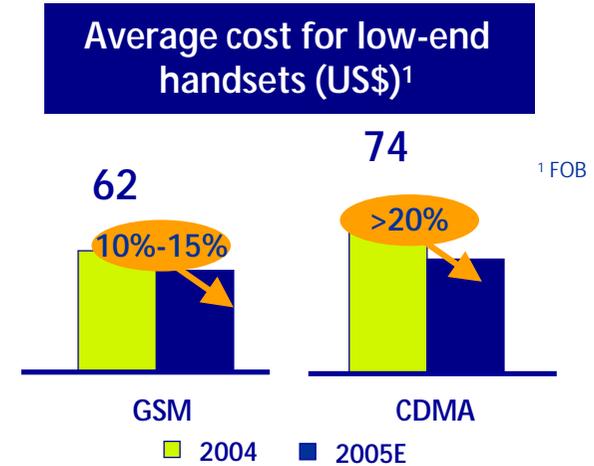




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Handsets: leveraging our scale

- TEM to buy 40MM handsets in 2005
- Around 6% of the total market



Own-branded handsets

- Lower costs & pressure on suppliers



- €30MM savings in 2004
- UMTS handsets <200€

GSMA
TEM-VIVO-ZTE
Reliance

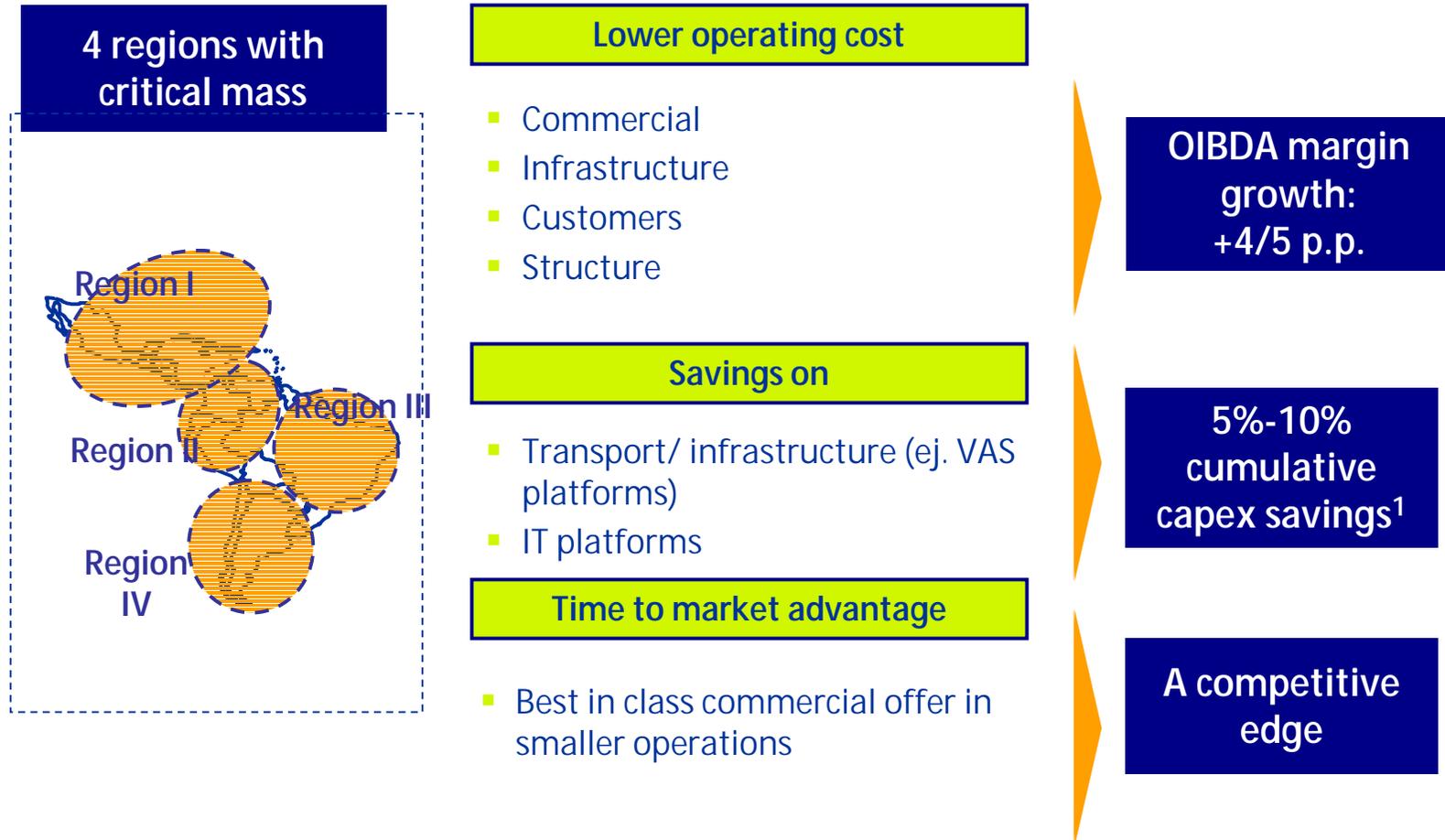
- Further reductions in GSM and CDMA prices



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Regional management of LatAm operations: enhanced efficiency already under way

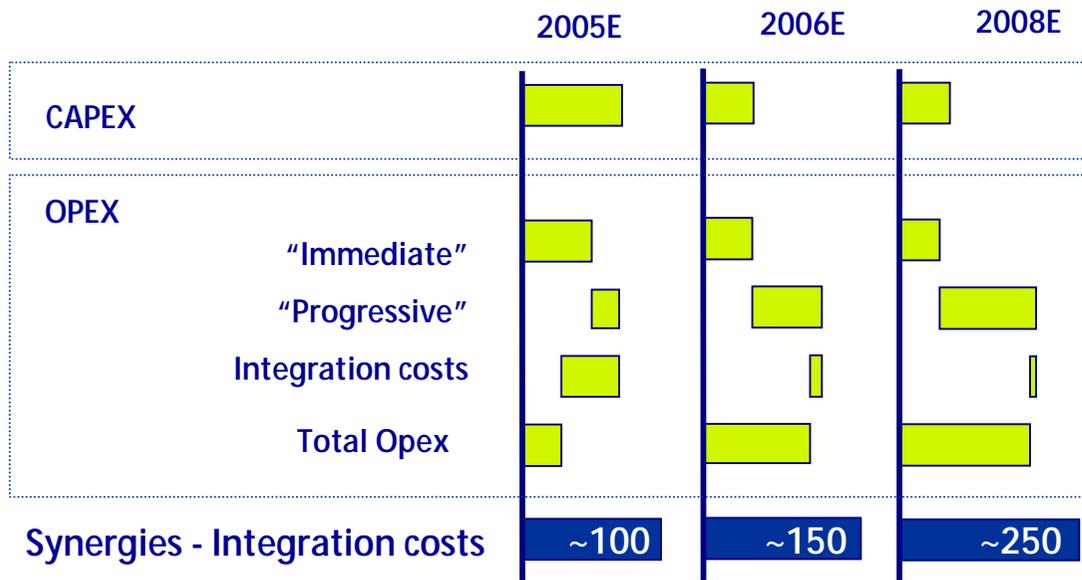


¹ 2005-2008



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Integration of operators acquired to BS in Latam: already delivering on the execution



Opex & capex synergies will exceed >US\$1Bn NPV¹ initial estimates

+

Additional benefits from revenue synergies

Progress in 1Q05

Commercial

- Unified commercial offers
- Single brand
- Unified dealer commissions
- Integration of Customer Care

Structure

- Real Estate & workforce rationalisation
- Centralised purchasing process

Network opex

- Integration of sites
- Renegotiation of maintenance contracts

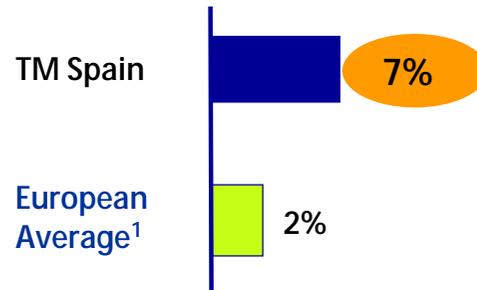
Total non recurrent integration costs in 1Q05: €12.5MM



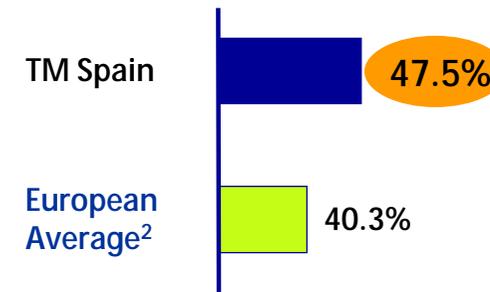
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KEY MARKETS-SPAIN: Despite a highly competitive market, TM Spain continues delivering superior performance

Service Revenues growth
(1Q05/1Q04)



OIBDA margin (1Q05)



- Solid revenue growth driven by increased usage:

- **+12%** in billable traffic vs. 1Q04
- Increased contribution from non SMS- Data
- **+4.8% y-o-y in ARPU**

- Margin performance highly impacted by strong commercial efforts:

- **+12%** in commercial activity vs. 1Q04
- **+67%** y-o-y growth in number portability gross adds
- **66.3%** normalised OIBDA margin³

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¹European average including TIM Italy, T-Mobile Germany, Orange France, TMN, KPN-Mobile (The Netherlands) & Vodafone UK. Source: Company press releases & analyst reports.

²European average including TIM Italy, T-Mobile Germany, TMN, KPN-Mobile (The Netherlands) & T-Mobile (UK). Source: Company press releases.

³ OIBDA margin excluding commercial & advertising costs/service revenue ex-loyalty points. Total commercial cost including advertising.

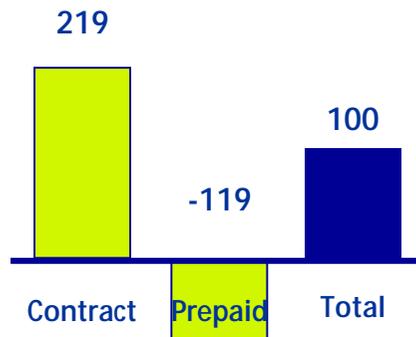


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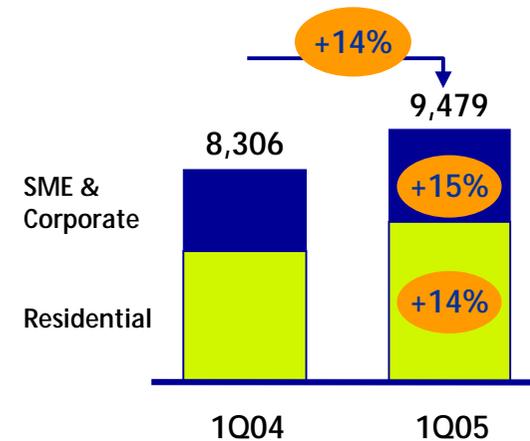
TM Spain: Focus on value & revenue share



1Q05 Net Adds (000)



Contract customer base (000)



- Sustained pressure in MNP, impacting churn rate
- Increased positions in call center for number portability

■ **50%** of total customer base



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TM Spain: Smart pricing to stimulate usage & increase customer retention

- Segmented packages
- Innovative tariff options
- Shaping TM Spain's price perception (1 cent per minute)
- Increasing value for money (e.g. weekend plans)
- Loyalty plans (e.g. attractive frequent number prices)



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TM Spain : leverage UMTS to reinforce our leadership



Network roll-out ahead of competitors

- Cities with more than 100,000 POPS covered
- 3,800 base stations
- Interior coverage
- >5,000 base stations
- HSPDA trials & commercial launch
- Outstanding coverage in major urban areas
- 13,000 base stations

UMTS network capex 05-08E: €1.2Bn

Enhanced handset portfolio

- Low handset range
- Prices ≈ 500€
- Wider handset range
- Prices <200€
- Critical mass
- Prices <145€

>40% of customers with UMTS handsets by 2008

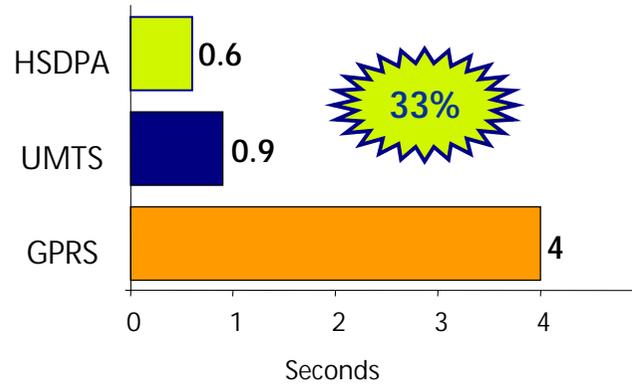


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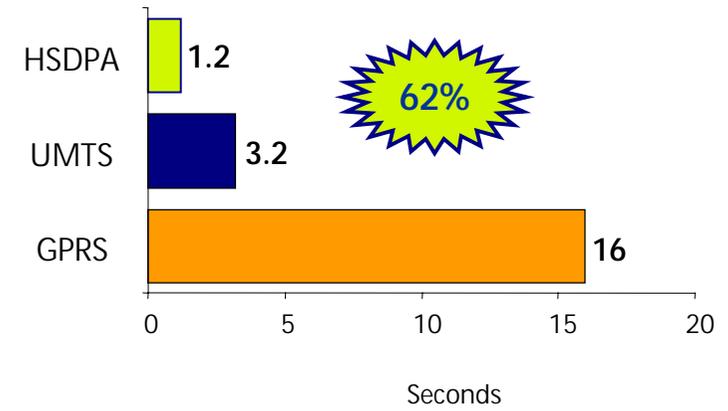
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HSPDA: Enhanced customer experience

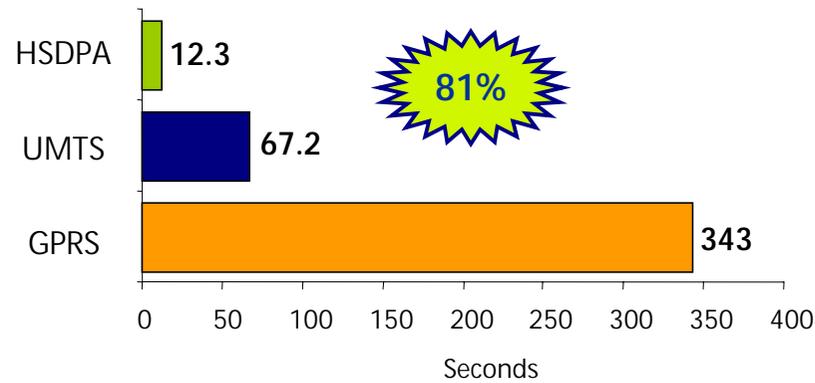
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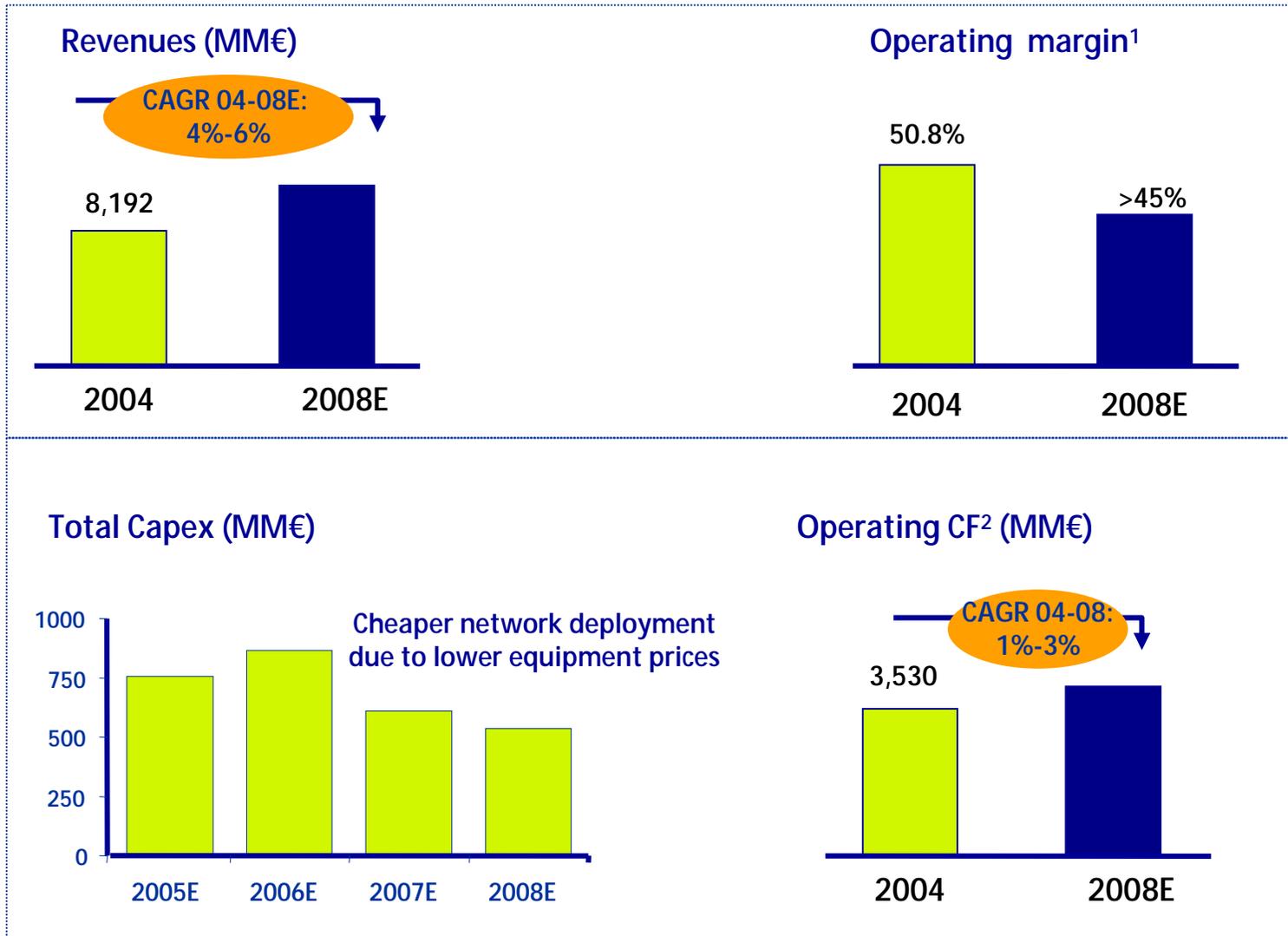
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TM Spain: CF generation underpinned by commercial efforts to secure revenue share leadership



All figures under IFRS.

¹ Operating Income before D&A / revenues

² Operating Income before D&A -Capex

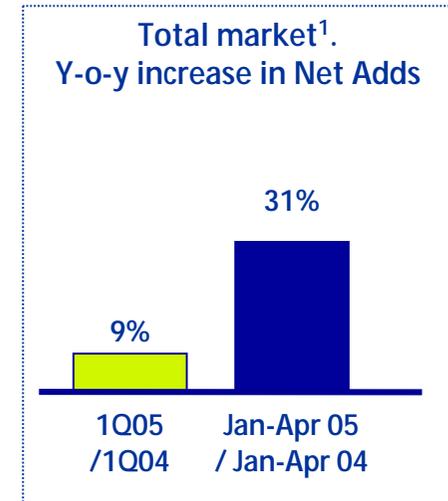


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Brazil: High growth potential but very competitive market

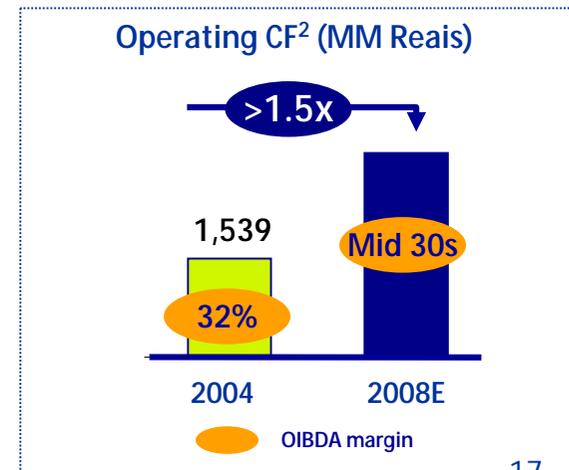


- Fierce competition in an overcrowded market
- Margins to continue under pressure
- High commercial activity in 2Q05: Mother's Day & St Valentine's campaigns
- Increased pressure on high value segments



Vivo: Scale & focus on innovation to maintain leadership position while increasing CF generation

- In-depth market segmentation
- Strong customer retention to preserve high value customers
- Short-term revenue growth impacted by pending agreements on termination fees, lower F2M traffic, "right planning" & strong traffic promotions
- Leverage 1XRTT and EVDO to offer a differentiated service portfolio



¹ Total Brazilian market. Source: ANATEL

² Operating Income before D&A -Capex



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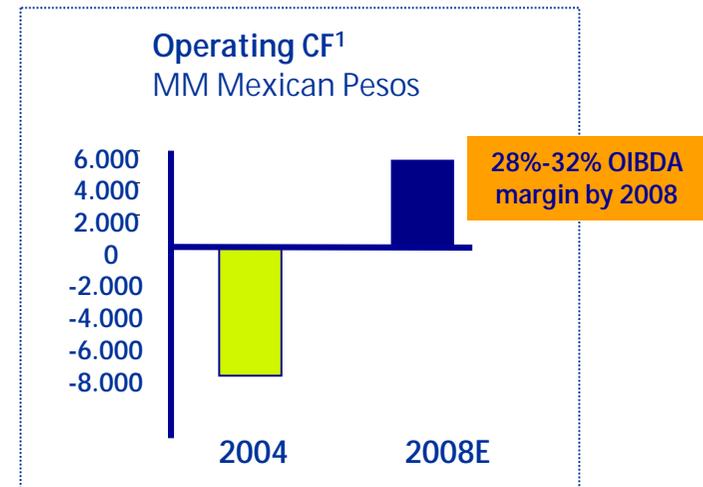
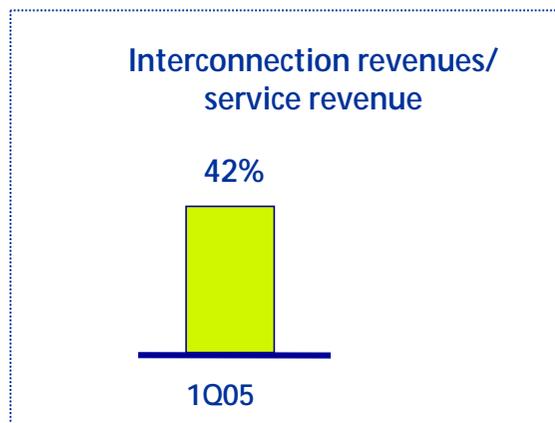
Mexico: capturing long-term value at the right pace



TM Mexico

- 6.06MM customers in 1Q05 (+61% y-o-y)
- Leverage vast expertise of GSM, innovative pricing & enhanced network coverage to progressively target contract & corporate segments
- Largest network deployment already made

- Short-term service revenue growth impacted by lower termination fees & changes related with voice mail service (introduced in April)



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All projections refer to local currency (constant exchange rates as of 2004)

¹ Operating Income before D&A -Capex

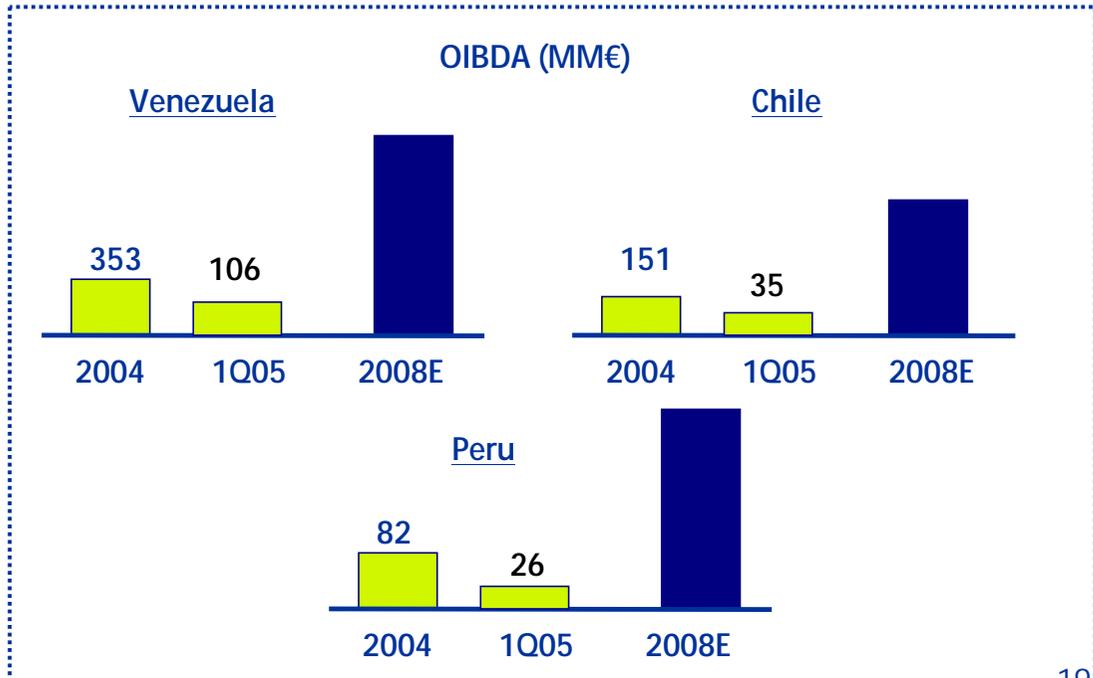
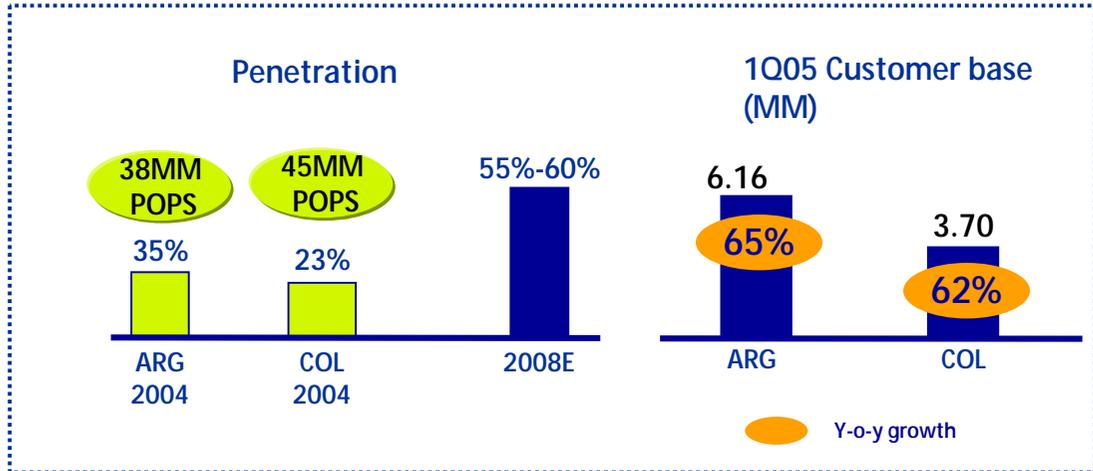


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Additional growth & cash generation prospects

Capturing
strong growth
opportunities

Strong cash
generation



All projections refer to local currency (constant exchange rates as of 2004)



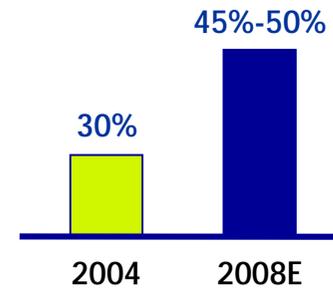
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Morocco: solid growth platform

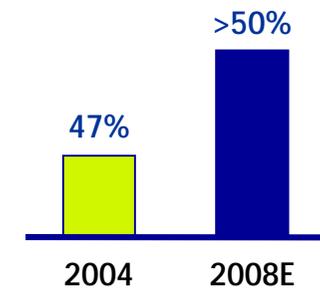


- Leading product & service innovation
- Increasing market share
- Sustaining operating excellence

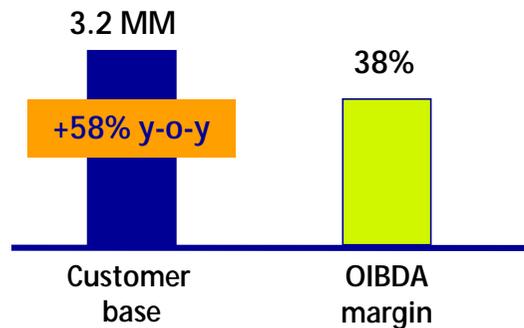
Penetration



OIBDA Margin



Progress in 1Q05



- Accelerated customer growth
- Strong increase in Net Adds (297 thousand in 1Q05 vs. 158 thousand in 4Q04)



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Guidance

€ in Millions	Reported 2004 under IFRS	CAGR 2004-08E (1)
Revenues	11,743.7	12%-16%
Operating Income before D&A (2)	4,577.7	14%-17%
Operating Income (2)	3,054.7	15%-19%

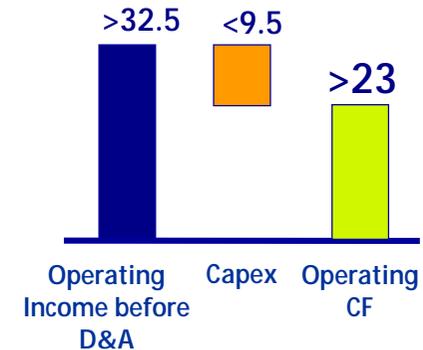
Managed customers
(MM)



Operating CF
(Bn€)



OCF. Cumulative figures
2004-08E (Bn€)



(1) All projections refer to local currency (constant exchange rates as of 2004) and exclude changes in consolidation other than assets acquired to BellSouth in Argentina&Chile in 2005.

(2) In terms of guidance calculation, Operating Income before D&A and Operating Income exclude other exceptional revenues/expenses not foreseeable in 2005-2008. These exceptional amounted to -100.2 MM€ in 2004 and are therefore also excluded, meaning a calculation base for guidance of 4,677.9 MM€ for OIBDA and 3,154.9 MM€ for OI, respectively. Personnel Restructuring and Real Estate Programs are included as operating revenues/expenses.



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Wrap-up:

- SPAIN:
 - Strong performance despite increased competition driven by healthy usage growth
 - Differentiated profile vs. European peers

- LATIN AMERICA:
 - Solid position to capture high growth potential in the region
 - Strong cash generation from operators in Venezuela, Chile & Peru
 - Enhanced operating profitability:
 - Regional management of operations
 - Synergies from integration of companies acquired to BS

- VERY STRONG COMMERCIAL ACTIVITY IN APRIL AND MAY BOOSTED BY THE LAUNCH OF  IN 13 COUNTRIES

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