Telefónica Móviles

Consolidation of leadership in Latin America

March 8, 2004

Safe harbour

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 document 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 document 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.

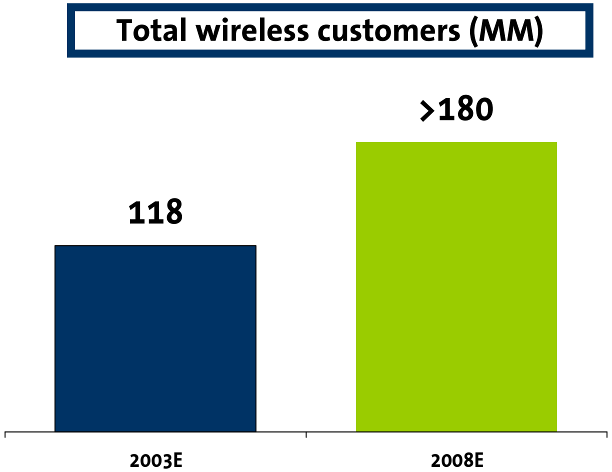
Analysts and investors are cautioned not to place undue reliance on those forward looking statements which speak only as of the date of this presentation. Telefónica Móviles undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in Telefónica Móviles´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 filed with the relevant Securities Markets Regulators, and in particular with the Spanish Market Regulator.

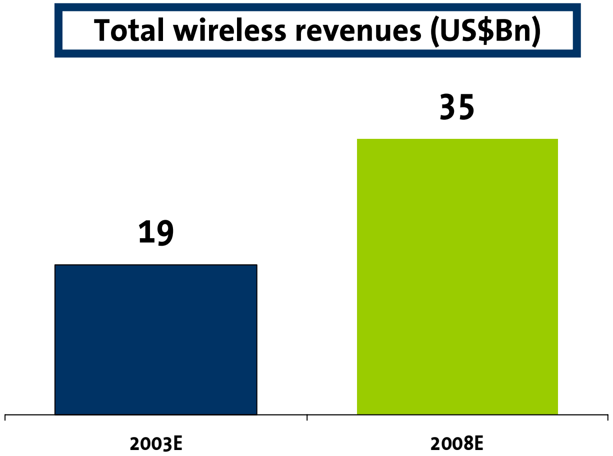
Index

- Latin America: a region with an outstanding growth potential
- Strategic fit of the transaction
- Key terms
- Back-up

Telefónica Móviles, S.A.

The wireless industry in Latin America continues to show robust growth prospects



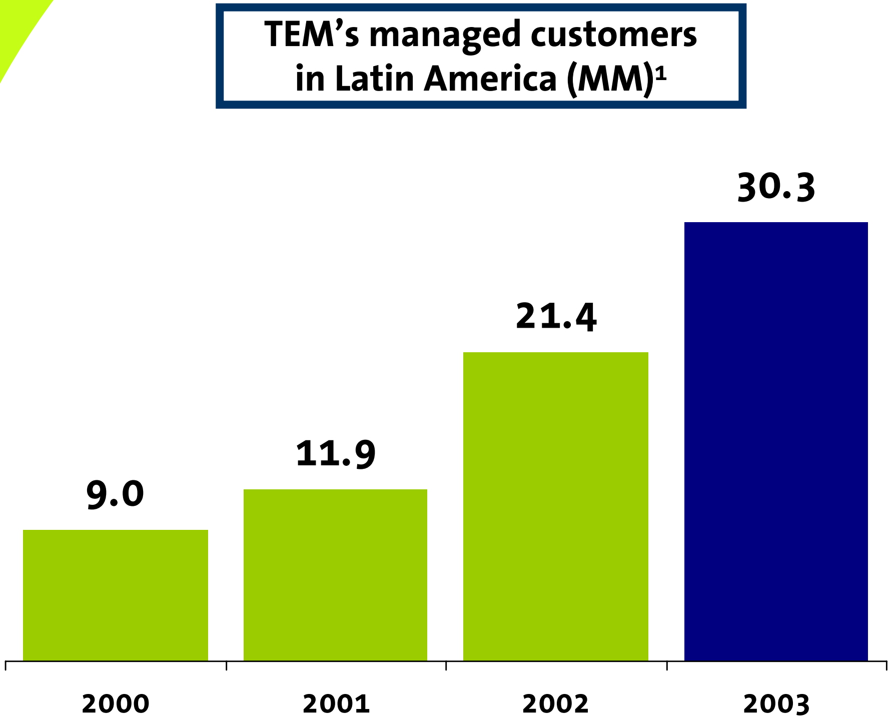


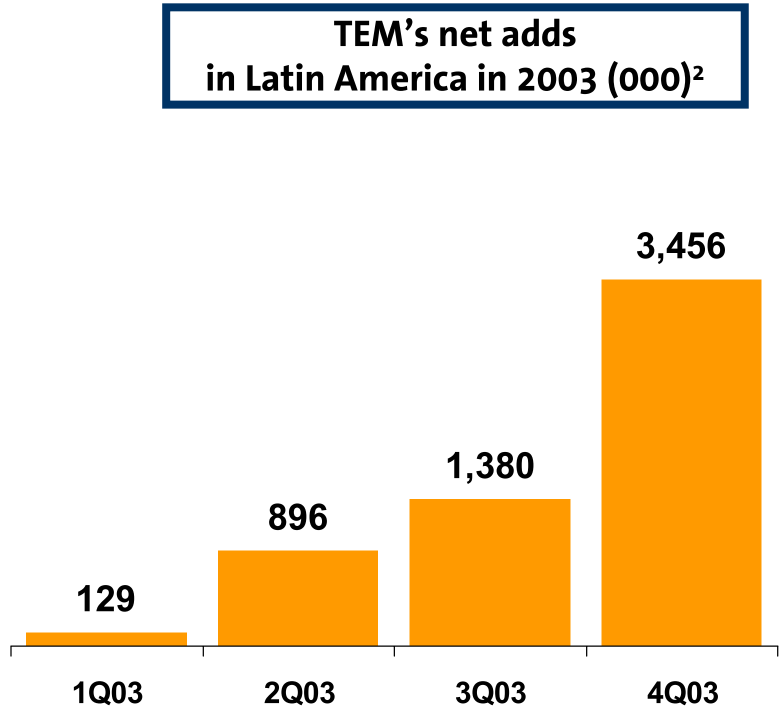
- **Low wireless penetration in a 500+ million inhabitants area**
- **Healthy wireless growth**
- **Growth in the wireless industry is outpacing that of other consumer industries**
- **Improving competitive environment**
- **Opportunity to enhance EBITDA margins due to further market consolidation**
- **Strong potential for increased FCF generation**

Sources: Ovum, Pyramid

Telefónica Móviles

TEM knows how to exploit growth opportunities





[1] 2003 figures includes the acquisition of TCO.

[2] Includes TCO since January 1st. Managed net adds.

A "natural" strategic move for TEM

Leadership & consolidation in Chile, Argentina & Peru

- Consolidation enhances markets fundamentals & brings compelling benefits for end-customers while benefits operations in Uruguay

+

Acquiring critical mass operations in large markets

- # 1 in Venezuela
- # 2 in Colombia & Ecuador

+

Consolidating operations in Central America

- 27% share in the region
- Enhanced competitive position in Guatemala & entry as #1 players in Panama & Nicaragua

- **Enhancement of TEM's diversified growth profile:**
  - **Entry in 6 new countries with an addressable market of >85MM pops**
- **Important savings in relation to new-entrant approach**
- **Economies of scale & benefits from synergies**

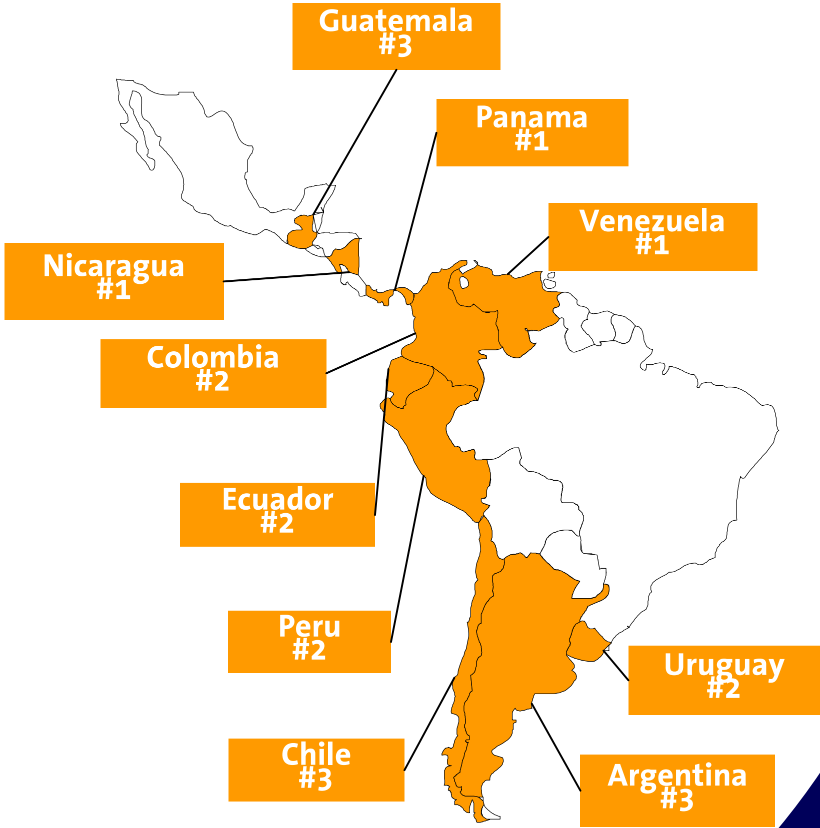
Telefónica
Móviles, S.A.

We are consolidating our leadership across the region

TEM's assets:
30.3 MM customers

+

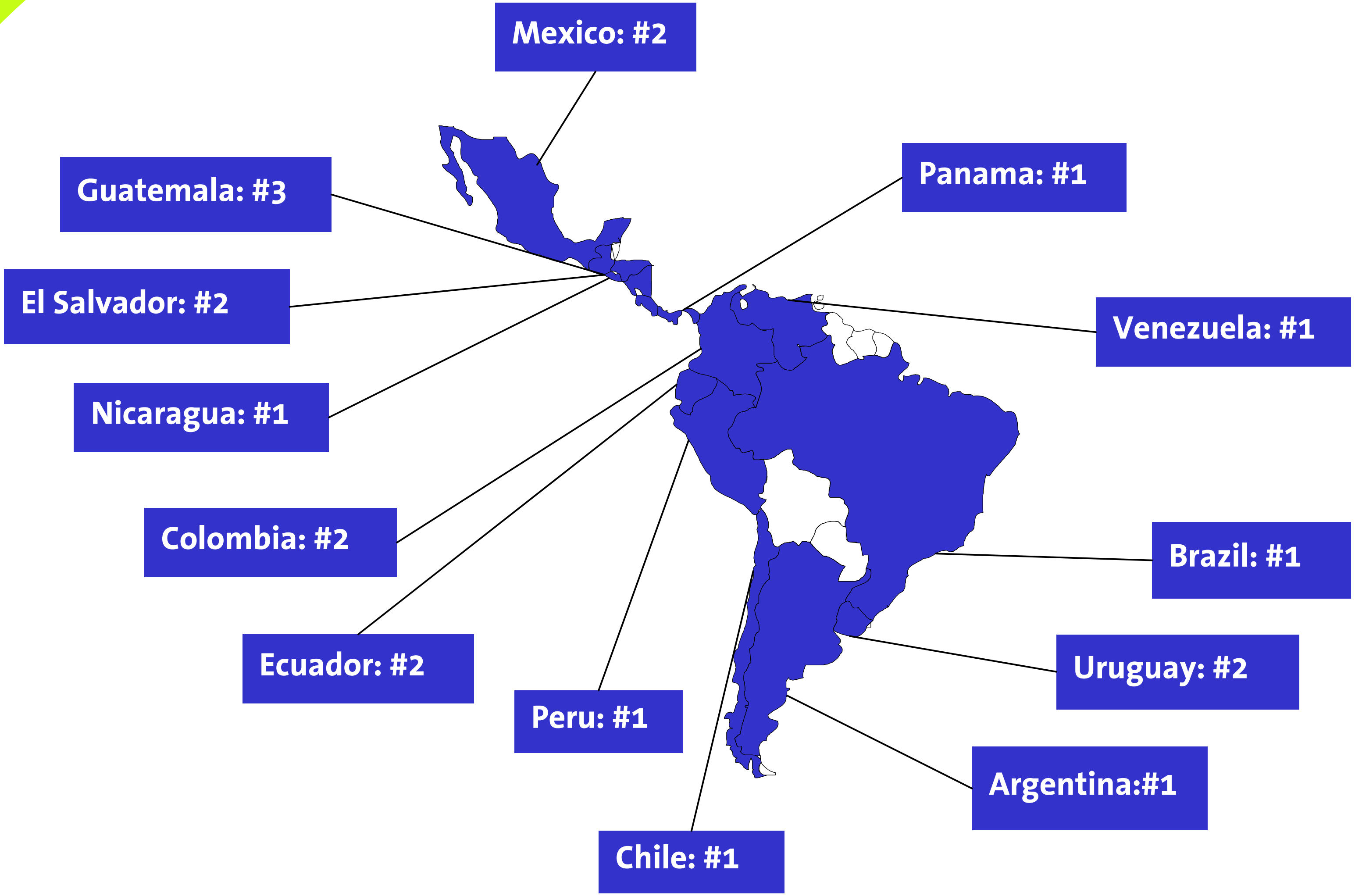
Bell South's assets:
10.5 MM customers



40.8 MM managed customers representing 35% of the total Latin American market

Telefónica Móviles

While reinforcing regional & local scale



Strengthen competitive positions in key markets & entry in relevant markets as #1 or #2

Combined portfolio at a glance

Country	Pop's (Millions)	Wireless Penetration	Subs (000's)	Market Share	Market Position
Chile	15.4	49%	3,571	48%	#1
Argentina	36.9	21%	3,311	42%	#1
Peru	27.3	11%	2,149	74%	#1
Uruguay	2.1	23%	146	30%	#2
Venezuela	24.0	31%	3,307	45%	#1
Colombia	40.3	15%	1,915	32%	#2
Ecuador	13.2	18%	816	35%	#2
Panama	2.8	27%	420	55%	#1
Guatemala	11.5	16%	409	22%	#3
El Salvador	6.6	13%	248	25%	#2
Nicaragua	2.9	11%	229	69%	#1
Brazil[1]	130.1	35%	20,656	56%	#1
Mexico	103.9	30%	3,454	11%	#2
Puerto Rico	3.9	34%	175	12%	#4
	421.0		40,804		

2003 figures

[1] Average market share in areas of operations

Telefónica Móviles

Telefónica Móviles is the best positioned player to capture the significant growth potential of the region

- **Single wireless player operating in all key markets**
- **Significant economies of scale**
- **Market knowledge & local management expertise**
- **Proven track record of successfully integrating companies**
- **Leading innovator in the region & technological leadership**
- **Financial strength & positive OpCF generation in most markets**
- **Limited capex needs in most operations**

We are acquiring growing & profitable operations

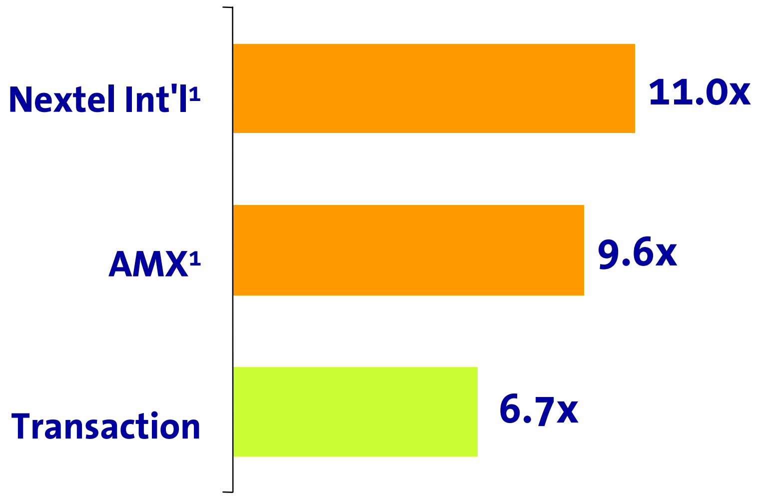
2003 (MMUS$)	Customers (000)	Revenues	EBITDA	Margin
Chile	1,301	215	48	22%
Argentina	1,487	315	101	32%
Peru	642	146	33	23%
Uruguay	146	29	8	29%
Venezuela	3,307	894	356	40%
Colombia	1,915	374	127	34%
Ecuador	816	293	91	31%
Panama	420	129	74	57%
Guatemala	252	60	15	24%
Nicaragua	229	46	15	33%
TOTAL	10,515	2,501	867	35%

Source:BS. Audited figures. 100% of properties

Favourable conditions & attractive valuation

Comparable multiples

EV/EBITDA references 2003



+ Opex & capex synergies >US$1Bn

- **Acquisition of 10 assets in 10 countries in a single transaction**

[1] Source: MSDW; 27/02/04
[2] Assuming the acquisition of a 100% of the assets.

Telefónica Móviles

Transaction key terms & financing

Assets	• Acquisition of 100% of BellSouth's properties in Latin America[1] • Available to buy out all minorities stakes in equal terms
Price & payment consideration	• Total enterprise value (100% equity + net debt): US$5,850MM; €4,731MM • All Cash
Approvals Needed	• Transaction subject to satisfactory regulatory & governmental approvals where required • Transaction expected to close in 2004
Financing	• Debt and internal cash-flow generation • TEF & TEM will maintain strong credit metrics

[1] Subject to minorities rights in certain assets
Exchange rate €/US$: 1.2365.

Outstanding potential to increase revenues along with operating & capex efficiency

Revenue synergies

- Market rationalization in Chile, Argentina, Peru & Guatemala

Opex synergies

- Network opex (energy, rentals...), G&A, branding & advertising, handsets purchases, reduced time to market, transfer of P&S, best practices, integrated management of Central American operations

Capex synergies

- Network rationalization (phase-out). Common procurement & scale economies

Achievable Opex & capex synergies >US$1Bn[1]

(do not include any revenue synergies)

[1] NPV 2003.

Value enhancing transaction from year 1

- **Even considering initial costs from integration of operations in year 1, derived from customer migration & capex needs to increase TEM's network capacity in Argentina & Chile**

- **And assuming constant exchange rates and debt financing in Euros, the transaction would be EPS & CFPS accretive from year 1 (final financing will be a combination of local currency, dollar & euro debt)**

+

Enhancement of TEM's future growth platform

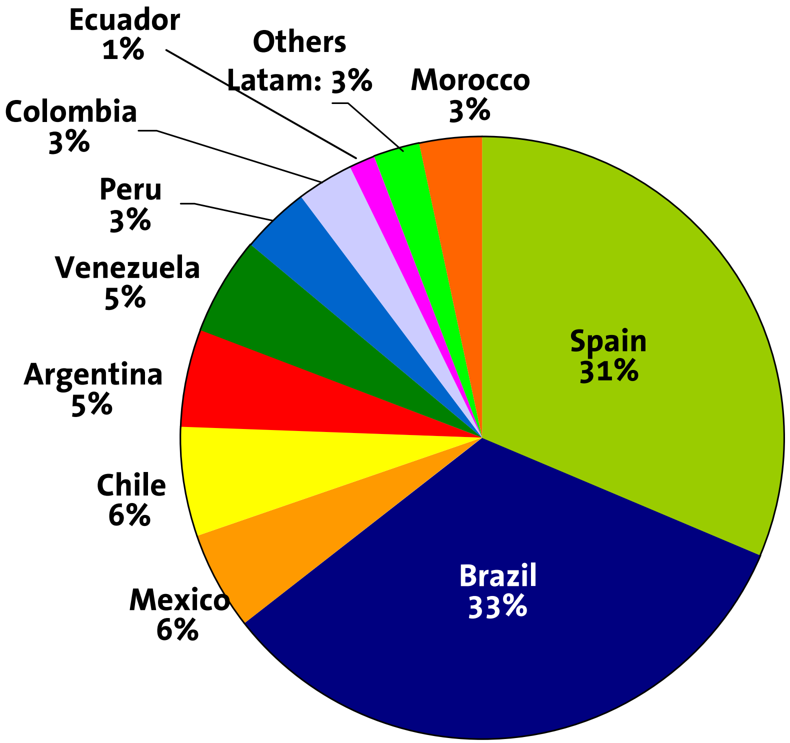
Assuming the consolidation of 100% of the assets from January 1st, 2004

Telefónica Móviles, S.A.

Reinforcing TEM's position within the wireless industry

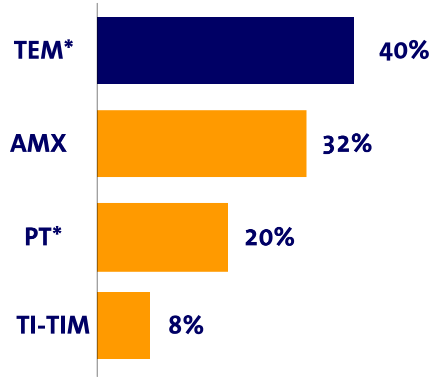
62.5MM managed customers

40.8 MM in Latin America

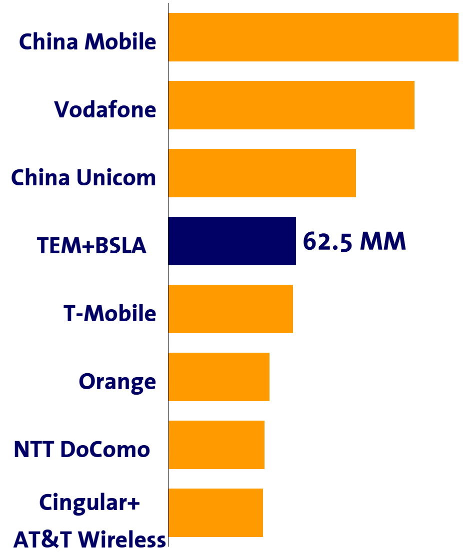


A clear leading company

Market share in Spanish & Portuguese speaking markets



Worldwide ranking



Source: 2003 data.Companies' press releases and analysts reports.
* Includes VIVO's customer base.

2003 figures, assuming acquisition of 100% of all BSLA's assets.

Telefónica Móviles

Summary

- Consolidates leadership position in Latin America
- Enlarges local scale in major countries (Argentina, Chile & Peru)
- Expands footprint in a high growth region
- Enhances market fundamentals due to the reduction in the number of players
- Substantial benefits from economies of scale and synergies through integration with existing operations in the region, leading to compelling benefits for end-customers
- Strengthens TEM's diversified growth profile
- EPS & CFPS accretive from year 1 assuming constant exchange rates and Euro denominated financing
- Manageable execution risk & proven management track record

Back-up

Country	BSLA stake[1]	Other shareholders	Technology	Competitors
Chile	100%	-	TDMA-CDMA	TEM, TIM, Smartcom
Argentina	86.7%	BGHI:13.3%	CDMA	TEM, CTI-AMX, T.Personal, Nextel
Peru	97.4%	Free-float: 2.6%	TDMA-CDMA	TEM, TIM & Nextel
Uruguay	46.0%	Motorola:32% Curtiembre:11% Leminconx: 11%	CDMA	Ancel (State)
Venezuela	78.2%	G.Cisneros: 21.8%	CDMA	CANTV, TIM & Infonet (regional)
Colombia	77.6%	G. Bavaria: 22.4%	TDMA-CDMA	AMX & Ola (new entrant)
Ecuador	89.4%	Latininvestment: 10.6%	TDMA-CDMA	AMX
Panama	43.7%	Multiholding: 56.3%	TDMA-CDMA	Cable & Wireless
Guatemala	60.0%	Multiholding: 40.0%	CDMA	TEM, AMX, Milicom
Nicaragua	89.0%	Lacayo Brothers: 11.0%	TDMA-CDMA	AMX, Teleglobo

[1] Economic stake

Telefónica

Móviles