



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

Telefónica S.A., in accordance with that stated in article 82 of the Spanish Stock Market Act (*Ley del Mercado de Valores*), hereby

NOTIFIES

Pursuant to the resolution adopted by the shareholders of “Telefónica, S.A.” at their Annual General Meeting of April 30th, 2004, we hereby inform all shareholders that on November 12th, 2004 the Company will pay the cash dividend from the Additional Paid-in capital reserve of a gross amount of 0.20 euros for each Company share issued, in circulation and carrying entitlement to this dividend (*Record Date: Thursday, November 11th, 2004*).

The payment of this dividend shall be executed on the aforesaid date by Banco Bilbao Vizcaya Argentaria, S.A., through the participating entities in Iberclear (*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.*), the Spanish securities registrar, clearing and settlement company.

Madrid, November 2nd, 2004

**SPANISH NATIONAL SECURITIES MARKET COMMISSION
- MADRID-**