



RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES
General Secretary
and Secretary to the Board of Directors
TELEFÓNICA, S.A.

As provided in article 82 of the Spanish Stock Market Act (*Ley del Mercado de Valores*), TELEFÓNICA, S.A. hereby reports the following

NOTICE

Further to the information filed on April 28th and May 2nd, 2007 with respect to TELEFÓNICA's investment in TELECOM ITALIA, it is hereby enclosed copy of the agreements related to this transaction that have been filed by ASSICURAZIONI GENERALI and MEDIOBANCA with the Securities and Exchange Commission (SEC), the US stock market regulator, on Form 13D (*"Schedule 13D to report the acquisition of beneficial ownership of 5% or more of a class of equity securities"*).

Madrid, May 7th, 2007