



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

SIGNIFICANT EVENT

At the Audit and Control Committee's meeting held today, the incorporation of the Director Mr. Vitalino Manuel Nafría Aznar as new member of this Committee has taken place.

Madrid, October 30th, 2007.

SPANISH NATIONAL SECURITIES MARKET COMMISSION
- MADRID-