



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

The Board of Directors of Telefónica, S.A. at its meeting held today, has resolved, preceded by the relevant favourable report from the Nominating, Compensation and Corporate Governance Committee, to establish, a new Consultative Committee, called: “Innovation Committee”, in accordance with that set forth in Article 22.b) of the Rules of the Board.

This Committee will be primarily responsible for advising and assisting in all matters regarding innovation. Its main object would be to perform an examination, analysis and periodic monitoring of the Company’s innovation projects, to provide guidance and to help ensure its implementation and development across the Group

This Committee will be formed by the following Board Members:

- Mr. Carlos Colomer Casellas (Chairman)
- Mr. Pablo Isla Álvarez de Tejera
- Mr. Antonio Massanell Lavilla
- Mr. Peter Erskine
- Mr. Julio Linares López

Madrid, July 30th, 2008

SPANISH NATIONAL SECURITIES MARKET COMMISSION
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