



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

Telefónica S.A., as provided in article 82 of the Spanish Securities Market Act (*Ley del Mercado de Valores*) and in accordance with set forth in paragraph 4 of article 6 of Royal Decree 377/1991, of March 15th, regarding the announcement of significant participations in quoted companies, hereby reports the following

SIGNIFICANT EVENT

The Board of Directors of “Telefónica, S.A.”, at its meeting held today, has accepted the resignations from their positions on the Board of Mr José Antonio Fernández Rivero (also member of the Audit and Control Committee) and Mr Jesús María Cadenato Matía.

Likewise, the Board has agreed, preceded by the relevant favourable report from the Nominating, Compensation and Corporate Governance Committee, the appointment by cooption of the new Board members Mr Vitalino Manuel Nafría Aznar and Mr Julio Linares López.

Lastly, the Board of Directors agreed to appoint Mr Gregorio Villalabeitia Galarraga as member of the Audit and Control Committee .

Madrid, December 21st, 2005.

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