



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

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

### **SIGNIFICANT EVENT**

TELEFÓNICA SA, shareholder of PORTUGAL TELECOM, SGPS, S.A. with a 9.9635% equity stake therein, states its intention to vote, in the Extraordinary General Meeting of PORTUGAL TELECOM to be held on March 2<sup>nd</sup>, 2007, in favour of approving the amendments to the articles of association and the authorisations proposed to eliminate the voting restrictions, and so that all shareholders may express themselves without hindrance to their capacity to exercise their rights, in the best interest of the company.

Madrid, February 22<sup>nd</sup>, 2007.