



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

Telefónica S.A., in accordance with that stated in article 82 of the Spanish Stock Market Act (*Ley del Mercado de Valores*), hereby

NOTIFIES

Pursuant to the resolution adopted by the shareholders of “Telefónica, S.A.” at their Annual General Meeting of May 31st, 2005, we hereby inform all shareholders that on November 11th, 2005 the Company will pay the cash dividend from the Additional Paid-in capital reserve of a fixed amount of 0.27 euros for each Company share in circulation and carrying entitlement to this dividend (*Record Date: Thursday, November 10th, 2005*).

The payment of this dividend shall be executed on the aforesaid date November 11th, 2005 by Banco Bilbao Vizcaya Argentaria, S.A., through the participating entities in Iberclear (*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.*), the Spanish securities registrar, clearing and settlement company.

Madrid, October 26th, 2005

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