



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

The Board of Directors of Telefonía, S.A. at its meeting held today, has accepted the resignation of the Proprietary Director and Vice-Chairman, Mr. Vitalino Nafría Aznar, (who was a member of the Audit and Control Committee, as well as of other Board Committees). The Board of Directors has unanimously thanked Mr. Vitalino Nafría for his effort, dedication and work as a member of this Board during these 6 years.

Likewise, the Board of Directors has agreed, following a favorable report from the Nominating, Compensation and Corporate Governance Committee, the interim appointment of Mr. Ignacio Moreno Martínez as new member of the Board of Directors, as Proprietary Director, as well as the appointment of Mr. José María Abril Pérez as Vice-Chairman of the Board.

Madrid, December 14th, 2011.

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