



**RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES**  
*Secretario General y*  
*del Consejo de Administración*  
**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

### **RELEVANT FACT**

TELEFÓNICA, at its Sixth Investor Conference to be held today in London, will announce a proposal to distribute a dividend of (1) euro per share corresponding to 2008 fiscal year, for which purpose the adoption of the corresponding corporate resolutions will be proposed. This dividend will be payable in two tranches: the first one in the second half of 2008, and the second one in the first half of 2009.

Therefore, the Company brings forward the commitment announced in May 2006 to double the dividend per share for 2009.

Madrid, October 11<sup>th</sup>, 2007.

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