



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

In accordance with Article 21 of Royal Decree 377/1991 of March 15th, and Article 82 of the Spanish Stock Market Act, (*Ley del Mercado de Valores*), TELEFÓNICA, S.A. hereby reports the following

SIGNIFICANT NOTICE

On November 28th, 2007, the Board of Directors of TELEFÓNICA, S.A., in accordance with the "Performance Share Plan 2006" authorised by the Annual General Shareholders' Meeting of the Company held on June 21st, 2006 and notified on November 13th, 2006 resolved, subject to the report of the Nominating, Compensation, and Corporate Governance Committee, to allocate the shares corresponding to the second cycle of that Plan to the Executive Directors and Executives Officers of the Company in accordance with the attached breakdown.

Madrid, December 5th, 2007.

SPANISH NATIONAL SECURITIES MARKET COMMISSION
- MADRID-



**Communication of remuneration plans for
Directors or Executive Officers granted by listed companies (CNMV Circular 4/2000)**

**LIST OF DIRECTORS AND EXECUTIVE OFFICERS WHO ARE BENEFICIARIES
OF THE PLAN**

I.- Executive Directors.

<u>First name and surname</u>	<u>Maximum number of shares allotted</u>	<u>Percentage of share capital</u>
César Alierta Izuel	116,239	0.0024%
José María Álvarez-Pallete López	53,204	0.0011%
Peter Erskine	151,863	0.0032%
Julio Linares López	57,437	0.0012%
Antonio Viana-Baptista	53,204	0.0011%

II.- Executive Officers.

<u>First name and surname</u>	<u>Maximum number of shares allotted</u>	<u>Percentage of share capital</u>
Luis Abril Pérez	31,274	0.0007%
Santiago Fernández Valbuena	53,204	0.0011%
Calixto Ríos Pérez	15,671	0.0003%
Ramiro Sánchez de Lerín García-Ovies	30,762	0.0006%