



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

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

SIGNIFICANT EVENT

The Board of Directors of the Company, at the meeting held today, has been informed of and acknowledged the resignations tendered by Board members Mr. Manuel Pizarro Moreno and Mr. Antonio Viana-Baptista from their directorships.

In view thereof, the Board of Directors has unanimously resolved, at the proposal of the Nominating, Compensation and Corporate Governance Committee, the interim appointment of Mrs. Eva Castillo Sanz and Mr. Luiz Fernando Furlán as new members of the Board of Directors, both as independent Directors.

Also, upon the prior favourable report of the Nominating, Compensation and Corporate Governance Committee, the Board has appointed Mr. Gonzalo Hinojosa Fernández de Angulo as new member of the Executive Committee of the Board, and Mr. Carlos Colomer Casellas as new member of the Nominating, Compensation and Corporate Governance Committee.

Madrid, January 23rd, 2008.

SPANISH NATIONAL SECURITIES MARKET COMMISSION
- MADRID-