



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

Pursuant to the resolution adopted by the shareholders of TELEFÓNICA, S.A. at their Annual General Meeting held on April 22nd, 2008, we hereby inform all shareholders that on May 13th, 2008, the Company will pay a final dividend from 2007 net income of a fixed gross amount of 0.40 euros for each Company share issued, in circulation and carrying entitlement to this dividend. This payment will be made as follows, in all events subject to the provisions of the applicable tax legislation:

Gross dividend <i>(Euros per share)</i>	Withholding tax rate (18%) <i>(Euros per share)</i>	Net dividend <i>(Euros per share)</i>
0.40	0.072	0.328

The payment of this dividend shall be executed from May 13th, 2008, 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, April 30th, 2008

SPANISH NATIONAL SECURITIES MARKET COMMISSION