



RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES
General Secretary
and Secretary to 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

With regard to its current share buy-back programme for a total amount of 100 million shares (communicated as a significant event on February 27, 2008), the Company announces that it has brought forward the end of the term of effectiveness of such programme by six months, so that it will conclude on December 31, 2008.

As indicated, at that time, in the abovementioned significant event, the execution schedule of the programme will be conditioned to the pace of cash-flow generation, to the share price level and to other market conditions, and always subject to any applicable limitations established by law, regulations or by the Company's Bylaws.

Madrid, May 14, 2008.

SPANISH NATIONAL SECURITIES MARKET COMMISSION
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