



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

Pursuant to the information notified by the Company in the Significant Event registered today, TELEFÓNICA S.A. as provided in Section 82 of the Spanish Securities Market Law (*Ley del Mercado de Valores*), hereby submits the following

NOTICE

That the possible sale of TELEFÓNICA, S.A.'s holding in the share capital of TELEFÓNICA PUBLICIDAD E INFORMACIÓN, S.A. (hereinafter, "TPI"), within the framework of the public tender offer for all shares of TPI announced by YELL GROUP plc (hereinafter, "YELL"), would imply for TELEFÓNICA the recording of capital gains net of tax in its consolidated financial statements for 2006 of 1,577 million euros. As indicated previously, the price of the offer presented by YELL is 8.50 euros per share, giving a total price of 1,838 million euros for 59.905% of the share capital of TPI currently owned by TELEFÓNICA, with the latter receiving, in addition, 86.5 million euros in dividends prior to the sale.

Furthermore, we hereby confirm that TPI will maintain the agreements with Telefónica de España, S.A. referred to in the prospectus for its public offering.

Madrid, 28 April 2006.

SPANISH NATIONAL SECURITIES MARKET COMMISSION
-MADRID-