



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

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

SIGNIFICANT EVENT

At the Italian *Commissione Nazionale per le Società e la Borsa*'s request, with reference to the article published in an Italian daily financial newspaper today regarding the ownership arrangements for TELECOM ITALIA, TELEFÓNICA wish to make clear that the news it refers to is without foundation.

Madrid, January 22nd, 2010

SPANISH NATIONAL SECURITIES MARKET COMMISSION
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