



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

On February 26th, 2010, and in compliance with the conditions stated in the Prospectus for the Debentures Issue “February 90 C” (ISIN code number ES0278430659), registered with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on February 1st, 1990, the 12,511 debentures of the Issue will be totally redeemed through the repayment of the 100% of their nominal value of Euros 300.51 each.

Madrid, January 29th, 2010

SPANISH NATIONAL SECURITIES MARKET COMMISSION
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