



**RAMIRO SÁNCHEZ DE LERÍN**  
*General Vice Secretary*  
*and Vice Secretary to the Board of Directors*  
**TELEFÓNICA, S.A.**

Further to the notification on March 31<sup>st</sup>, 2005, Telefónica S.A., as provided in article 82 of the Spanish Securities Market Act (*Ley del Mercado de Valores*) hereby reports the following

### **SIGNIFICANT EVENT**

As part of the privatisation of listed Czech company Cesky Telecom a.s., the government of the Czech Republic publicly announced in official information today that the bid submitted by Telefónica S.A. has won the tender for acquiring 51.1% of equity in the company. The Czech government thus adhered to the non-binding recommendation made on March 30<sup>th</sup> by the Privatisation Committee formed for this process.

After the decision adopted today by the Czech cabinet, implementation of the operation remains subject to fulfilment of various contractual terms, including the corresponding approval of European competition authorities. Telefónica S.A. considers that in normal circumstances the acquisition could be implemented in the third quarter of 2005.

The acquisition by Telefónica S.A. of 51.1% of equity in Cesky Telecom a.s. implies a public offer being made subsequently to purchase the remaining 48.9% of company equity.

Madrid, April 6th, 2005

**SPANISH NACIONAL SECURITIES MARKET COMMISSION**  
**- MADRID -**