



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

TELEFÓNICA, S.A. hereby submits the following

NOTICE

Antena 3 de Televisión, S.A. and the Telefónica Group have reached an agreement regarding the interpretation of the contract whereby the latter sold 100% of Uniprex, S.A. in 2002 in relation to the distribution between them of the costs arising from the arbitration-ordered termination of the collaboration agreement between Grupo Radio Blanca and Uniprex, S.A.

According to the agreement, Telefónica assumes 30% of the costs of the arbitration proceedings for the Antena 3 de Televisión Group, which mainly consists of the amounts paid to the Grupo Radio Blanca as a result of the arbitration.

As a consequence of the said agreement, Telefónica, S.A. and Grupo Planeta-De Agostini, S.L. (as successor of KORT Geding, S.L. and main shareholder of Antena 3 de Televisión, S.A.) have agreed in view of the economic costs caused by the aforesaid arbitration proceedings, the amount of the price adjustment to be applied in favour of Planeta- De Agostini under the Antena 3 de Televisión, S.A. share sale-purchase agreement signed by the two companies on May 21st, 2003 will be reduced from the 25.1% initially stipulated to 17.5% of the costs.

Madrid, August 3rd, 2006

SPANISH NATIONAL SECURITIES MARKET COMMISSION
-MADRID-