



ANTONIO J. ALONSO UREBA
*Director, General Secretary
and Secretary to the Board of Directors*
TELEFÓNICA, S.A.

Telefónica S.A., as provided in article 82 of the Spanish Securities Market Act (*Ley del Mercado de Valores*), hereby in writing

REPORTS

That further to information published on September 28th, 2004, Telefónica, S.A. states that publication in the Official Gazette of the Spanish Companies Registry (Boletín Oficial del Registro Mercantil Español) of the announcement for the redemption of debentures envisaged in the Prospectus for the Debentures Issue “October 2004 C” (ISIN code ES0278430907), registered with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) on September 30th, 1993, shall not be possible. This announcement shall, however, be published in a newspaper with national coverage in Spain.

Madrid, October 8th, 2004

**SPANISH NATIONAL SECURITIES MARKET COMMISSION
-MADRID-**