



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

Further to the Significant Events registered on October 7th and on November 4th, 2009, TELEFÓNICA, S.A. ("TELEFÓNICA") as provided in article 82 of the Spanish Securities Market Act (*Ley del Mercado de Valores*), hereby reports the following

NOTICE

TELECOMUNICAÇÕES DE SÃO PAULO S.A. ("Telesp"), Brazilian subsidiary of Telefónica Group, has been informed today by BM&FBOVESPA that the conditions on the tender offer for the acquisition of the shares of the Brazilian company GVT (Holding) S.A. that related to the minimum number of shares and were set in the Prospectus published on October 8th, have not been met.

Thus, the aforementioned tender offer takes no effect.

Madrid, November 19th, 2009

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