



**RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES**  
*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 reports the following

### **SIGNIFICANT EVENT**

Today TELEFÓNICA, S.A. (“TELEFONICA”) has signed an agreement with PROMOTORA DE INFORMACIONES (“PRISA”) and SOGECABLE, S.A. for the acquisition of a 21% stake in the company that will include the pay-TV services of PRISA Group (DIGITAL +), for a firm value of 2,350 million Euros. The estimated total investment to be made by TELEFÓNICA, after deduction of the net debt will be around 470 million Euros, of which approximately 230 million Euros will be covered by the subordinated loan agreement that currently exists between TELEFÓNICA DE CONTENIDOS, S.A.U. (creditor) and SOGECABLE, S.A. (debtor). This acquisition is subject, among other conditions, to the obtainment of the appropriate regulatory authorisations.

Additionally, both companies have signed a shareholder agreement that will regulate the management principles of this company after TELEFÓNICA’s acquisition that establishes TELEFÓNICA’s right to appoint two members of the Board of Directors.

Moreover, TELEFÓNICA DE ESPAÑA, S.A.U. and PRISA have signed a Framework Collaboration Agreement in order to explore potential co-operation fields regarding audiovisual development, and other services of both companies, in Spain.

Madrid, November 25<sup>th</sup>, 2009.

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