



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

Further to the Significant Event registered on June 23rd, 2009, 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

The *Comisión Nacional de Valores de la República Argentina* (“CNV”), the Argentine securities regulator, approved yesterday, December 3rd, 2009, the Unilateral Declaration of Will to Acquire all outstanding TELEFÓNICA DE ARGENTINA, S.A. (“TASA”) shares owned by TASA’s minority shareholders presented by TELEFÓNICA S.A. (“TELEFONICA”) on June 23rd, 2009.

The transaction is addressed to each of the 126,001,784 TASA shares that TELEFÓNICA does not currently control direct or indirectly, which amounts to 1.8% of TASA’s share capital. The purchase price set forth per TASA’s share is 1.00 Argentine peso, representing a total investment of approximately Euros 22 million (*).

Once the appropriate legal procedures have been accomplished, the public deed of the Unilateral Declaration of Will to Acquire, which is expected to be registered within 2009, will entail TELEFÓNICA to own all the shares to which this transaction is addressed to, and will involve the delisting of TASA’s shares from the Buenos Aires and New York stock exchanges.

Madrid, December 4th, 2009

SPANISH NATIONAL SECURITIES MARKET COMMISSION
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* According to an exchange rate AR\$/Euro of 5,735