



**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**

In relation to the spectrum auction conducted by the Spanish Ministry of Industry, Tourism and Trade that has finished today, July 29, it is hereby informed that TELEFÓNICA MÓVILES ESPAÑA, S.A.U., has submitted the best winning bid in 5 frequency blocks, which will allow the Company to have spectrum available in all bands assigned to mobile services. The total cost of the mentioned blocks amounts to 668.3 million euro and the payment will be distributed in two years (356 million euro in September 2011 and the remaining amount in the second quarter of 2012).

In particular, TELEFÓNICA MÓVILES ESPAÑA, S.A.U. has submitted the winning bid in the following spectrum blocks:

- 2x10 MHz, of national and regional coverage, on the frequency band of 800MHz.
- 2 x 5 MHz, of national and regional coverage, on the frequency band of 900MHz.
- 2 x 20 MHz of national and regional coverage, on the frequency band of 2,6 GHz.

This new frequency assignment means achieving the maximum spectrum pursuant to the current regulation, and the concession period ends on December 31, 2030.

Madrid, 29<sup>th</sup> July, 2011

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