

TELEFONICA S A
Form 6-K
December 28, 2010

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934
For the month of December, 2010
Commission File Number: 001-09531

Telefónica, S.A.

(Translation of registrant's name into English)

Distrito C, Ronda de la Comunicación s/n,
28050 Madrid, Spain
3491-482 85 48

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:
Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES

General Secretary and

Secretary to the Board of Directors

TELEFÓNICA, S.A.

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

SIGNIFICANT EVENT

In accordance with the information registered on November 25, 2009, TELEFÓNICA, through its subsidiary TELEFÓNICA DE CONTENIDOS, S.A.U., has completed today the acquisition of the 22% stake in the company that brings together the pay-TV service of PRISA Group (DTS DISTRIBUIDORA DE TELEVISIÓN DIGITAL, S.A.).

TELEFÓNICA s total investment in the aforementioned acquisition is approximately FOUR HUNDRED EIGHTY-EIGHT MILLION EUROS (488 million euro) of which 228 million euro are covered by the cancellation of the outstanding amount of the subordinated loan existing between TELEFÓNICA DE CONTENIDOS, S.A.U. (creditor) and SOGECABLE, S.A. (actually known as PRISA TELEVISIÓN, S.A.U., debtor).

Madrid, December 28, 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Telefónica, S.A.

Date: December 28th, 2010

By: /s/ Ramiro Sánchez de Lerín García-Ovies

Name: Ramiro Sánchez de Lerín
García-Ovies

Title: General Secretary and Secretary to
the Board of Directors