

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

**Telefónica, S.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.

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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 28<sup>th</sup>, 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