Net cash used in investing activities

Net cash used in investing activities increased by 2.19% in 2009 to 9,300 million euros from 9,101 million euros in 2008.

Net cash used in investing activities increased by 4,509 million euros in 2008, to 9,101 million euros from 4,592 million euros in 2007. Payments on investments in companies (net of cash and cash equivalents acquired) in 2008 declined by 22.16%, from 2,798 million euros to 2,178 million euros. The main investments were the acquisitions of Telemig by Brasilcel, N.V. for 347 million euros, of shares of China Netcom and China Unicom for 688 and 424 million euros, respectively, and of 51.8% of CTC's non-controlling interests for 640 million euros. The main payment on investments in 2007 was for the 42.3% stake in Telco S.p.A. for 2,314 million euros.

Payments on financial investments not included in cash equivalents amounted to 1,411 million euros, compared to 114 million euros in 2008. This increase was the result of investments in deposits and other long-term financial instruments.

Investment in property, plant and equipment and intangible assets in 2009 totaled 7,593 million euros, 3.75% less than the 7,889 million euros of 2008. This decrease is in line with the decline in acquisitions of property, plant and equipment during the year.

The amount at December 31, 2008 was 615 million euros higher than in 2007 (7,274 million euros) driven by further investment in fiber optics, 3G, TV and ADSL.

Proceeds from disposals of investments in companies, net of cash and cash equivalents acquired, amounted to 686 million euros in 2008, mainly due to the 648 million euros obtained from the sale of Sogecable. In 2007, this figure was 5,346 million euros and entailed disposals of stakes in Airwave and Endemol for 2,841 million and 2,107 million euros, respectively.

In 2009, net short-term financial investments included in cash flows from cash surpluses not included under cash equivalents in 2009 amounted to 548 million euros. Net disposals of these investments in 2008 amounted to 76 million euros.

Net cash used in financing activities

Net cash used in financing activities in 2009 totaled 2,281 million euros, 71% less than the 7,765 million euros of 2008, mainly due to the 8,617 million euros of proceeds from the issuance of debentures and bonds (1,317 million euros in 2008).

Net cash used in financing activities in 2008 totaled 7,765 million euros, down from 9,425 million euros in 2007. The 1,660 million euro decline was due basically to the decrease in the repayment of financing due to the decline in the debt balance in the last few years.

(24) EVENTS AFTER THE REPORTING PERIOD

Significant events affecting Telefónica taking place from December 31, 2009 to the date of preparation of these consolidated financial statements include:

Financing

a) Maturity of debentures and bonds:

On January 25, 2010, Telefónica Emisiones, S.A.U. repaid at maturity the bonds issued on July 25, 2006 under the bond issuance program ("EMTN") registered with the London Stock Exchange for an aggregate amount of 1,250 million euros.

b) Voluntary early redemptions:

The following issues were redeemed voluntarily before maturity in the early months of 2010:

- On January 29, 2010, Telefónica, S.A. made a voluntarily repayment ahead of schedule of 500 million euros on the 6,000 million euro syndicated loan arranged on June 28, 2005 and amended on February 13, 2009 to extend the maturity of 4,000 million euros from June 28, 2011 by one year for 2,000 million euros and two years for the other 2,000 million euros.

- Similarly, on February 11, 2010, Telefónica, S.A. made a voluntary repayment of 500 million euros on the same loan.

c) Financing of Telco

On January 11, 2010, Telco S.p.A. ("Telco") arranged a 1,300 million euro loan with Intesa Sanpaolo, S.p.A., Mediobanca, S.p.A., Société Générale, S.p.A. and Unicredito, S.p.A. maturing on May 31, 2012, part of which is secured with Telecom Italia S.p.A. shares. The lending banks have granted Telco shareholders a call option on the Telecom Italia S.p.A. shares that they may be entitled to receive as a result of the potential execution of the pledge.

In line with the commitments assumed by Telco shareholders, on December 22, 2009, the rest of Telco's financing needs with respect to debt maturities were met with a bridge loan granted by shareholders Telefónica, Intesa Sanpaolo, S.p.A. and Mediobanca, S.p.A., for approximately 902 million euros, and a bank bridge loan granted by Intesa Sanpaolo, S.p.A. and Mediobanca, S.p.A., for the remaining 398 million euros.

The financing from the bridge loans was substituted with a bond subscribed by Telco's shareholder groups, on a pro-rate basis in accordance with their interests in the company, on February 19, 2010 for 1,300 million euros.

d) Financing of ECAs

On February 12, 2010, Telefónica, S.A. arranged long-term financing for an amount of 472 million US dollars at fixed rates with a guarantee of the Swedish Export Agency (EKN) to acquire network equipment from a Swedish service provider. This financing entailed three tranches: tranche A, for 232 million US dollars maturing on November 30, 2018, tranche B, for 164 million US dollars maturing on April 30, 2019, and tranche C, for 76 million US dollars maturing on November 30, 2019.

Devaluation of the Venezuelan Bolivar fuerte

Regarding the devaluation of the Venezuelan Bolivar fuerte on January 8, 2010 (see Note 2), the two main factors to consider with respect to the Telefónica Group's 2010 financial statements will be:

- The decrease in the Telefónica Group's net assets in Venezuela as a result of the new exchange rate, with a balancing entry in equity of the Group. This effect is estimated at approximately 1,810 million euros.

- The translation of results and cash flows from Venezuela at the new devalued closing exchange rate.

Finally, on January 19, the Venezuelan Authorities announced that they would grant a preferential rate of 2.60 Bolivar fuerte per dollar for new items, among which payment of dividends is included, as long as the request for Authorization of Acquisition of Foreign Exchange was filed before January 8, 2010. To that date, the Company had in fact requested authorizations related to the distribution of dividends of prior years (see Note 16).

Fulfillment of commitments relating to the acquisition in Germany of HanseNet Telekommunikation GmbH by Telefónica Deutschland GmbH

On February 16, 2010, having complied with the terms established in the agreement dated December 3, 2009 by the parties, the Telefónica Group completed the acquisition of 100% of the shares of HanseNet. The final amount paid out was approximately 912 million euros.

Amendment to the agreements signed with Prisa and Sogecable following the purchase of a stake in Digital+ by Gestevisión Telecinco, S.A.

Following the signing on the agreement between Prisa and Gestevisión Telecinco, S.A. ("Telecinco") for the sale by Prisa to Telecinco of a 22% stake in Digital+, on January 29, 2010, Telefónica and Prisa signed a new agreement raising the percentage stake to be acquired by Telefónica from 21% to 22%. Meanwhile, following the agreement reached between Prisa and Telecinco, Telefónica has undertaken to renegotiate the terms of the Shareholder Agreement to reflect the shareholder structure of Digital+ following the acquisition of a stake in the company by Telecinco.

The estimated total investment to be made by Telefónica, after deduction of the net debt, will be around 495 million euros, of which approximately 230 million euros will be covered by the assumption by the buyer of subordinated loan between Telefónica de Contenidos, S.A.U. (creditor) and Sogecable (debtor).

This acquisition is subject, among other conditions, to the obtainment of the appropriate regulatory authorizations.

Acquisition of JAJAH

In January 2010, the Telefónica Group, through its wholly owned subsidiary Telefónica Europe plc, acquired 100% of the shares of JAJAH, the leading communications innovator, for 145 million euros.

(25) ADDITIONAL NOTE FOR ENGLISH TRANSLATION

These consolidated financial statements were originally prepared in Spanish. In the event of discrepancy, the Spanish-language version prevails.

These financial statements are presented on the basis of International Reporting Standards as issued by the International Accounting Standars Board (IASB), which do not differ for the purposes of the Telefónica Group from IFRS as adopted by the European Union. Consequently, certain accounting practices applied by the Group do not conform with generally accepted principles in other countries.

APPENDIX I: CHANGES IN THE CONSOLIDATION SCOPE

The following changes took place in the consolidation scope in 2009:

Telefónica Europe

The companies BT Cellnet Ltd and SPT Telecom Finance, B.V. were disposed of. Both entities, previously included in the consolidated financial statements of the Telefónica Group using the full consolidation method, were removed from the consolidation scope.

In December, German company Telefónica Global Services, GmbH, a wholly owned subsidiary of the Telefónica Group, set up a German company, Telefónica Global Roaming, GmbH, with initial capital of 25 thousand euros. This company was included in the consolidation scope using the full consolidation method.

Telefónica Latin America

Pursuant to Chilean law, on December 1, 2008, Telefónica, S.A., through subsidiary Inversiones Telefónica Internacional Holding, Ltda., launched a second tender offer ("second offer") for all the shares of Compañía Telefónica de Chile, S.A. (CTC) Telefónica did not already hold (representing 3.25% of CTC's capital).

Upon completion of the second offer, Telefónica's indirect stake in CTC increased from 96.75% to 97.89% at the date of filing the notice with the Spanish National Securities Commission, the CNMV, on January 9, 2009. The Telefónica Group still consolidates the Chilean company using the full consolidation method.

Pursuant to the corporate restructuring of the Brazilian group Vivo, on July 27, 2009 Telemig Celular, S.A. was absorbed by Telemig Celular Participaçoes, S.A., which was subsequently absorbed by Vivo Participaçoes, S.A. Following this transaction, Telemig Celular, S.A. and Telemig Celular Participaçoes, which had been fully consolidated in the Telefónica Group, were removed from the consolidation scope. The Telefónica Group still consolidates Vivo Participaçoes, S.A. using proportionate consolidation.

On November 19, 2009, within the scope of the same corporate restructuring, the companies Tagilo Participaçoes, Ltda., Sudestecel Participaçoes, Ltda., Avista Participaçoes, Ltda. and Vivo Brasil Comunicaçoes Ltda. were absorbed by Portelcom Participaçoes, S.A. All these companies, previously consolidated using proportionate consolidations, were removed from the Telefónica Group's consolidation scope.

In September 2009, deeds of liquidation of Nicaraguan companies Telefónica Móviles Nicaragua, S.A., Doric Holdings y Compañía, Ltda. and Kalamai Holdings y Compañía, Ltda. were executed. The companies, which had been fully consolidated in the Telefónica Group, were removed from the consolidation scope.

On December 3, 2009, following approval by the National Securities Commission of the Argentine Republic, the Argentine securities regulator, Telefónica, S.A. acquired shares representing 1.8% of the share capital of Telefónica de Argentina, S.A. held by minority shareholders for a price of approximately 23 million euros. Following this acquisition, the Telefónica Group is owner of all of the shares of the Argentine company. This company is still fully consolidated in the consolidated financial statements of the Telefónica Group.

On October 21, 2009 Telefónica, S.A. and China Unicom (Hong Kong) Limited ("China Unicom") completed the mutual share exchange agreement through which Telefónica, through Telefónica Internacional, S.A.U., subscribed for 693,912,264 newly issued shares of China Unicom, satisfied by the contribution in kind to China Unicom of 40,730,735 Telefónica shares. This entailed an investment of approximately 1,000 million US dollars of ordinary shares of China Unicom. Following this acquisition, the Telefónica Group's shareholding interest in China Unicom's voting share capital increased from 5.38% to 8.06%.

On November 5, the share buyback agreement of one of China Unicom's core shareholders, SK Telecom Co., Ltd. ("SKT"), was carried out. Following the buyback and cancellation of the shares, the Telefónica Group's holding in China Unicom's share capital reached 8.37%. The Telefónica Group accounts for this investment using the equity method.

Other companies

In February 2009, Telefónica International Wholesale Services II, S.L. was incorporated, with initial capital of 3,006 euros, fully subscribed and paid by Telefónica, S.A.. This company is included in the consolidated financial statements of the Telefónica Group using the full consolidation method.

In 2009, Telefónica International Wholesale Services II, S.L. incorporated the European companies TIWS Hungary, TIWS Sweden and TIWS Latvia, subscribing and paying up 100% of their respective share capital. All of these companies have been included in the Telefónica Group's consolidation scope using the full consolidation method.

In April, Dutch company Atento, N.V. acquired 100% of the shares of Venezuelan company Teleatención de Venezuela, C.A. for approximately 9 thousand euros. This company has been included in the Telefónica Group's consolidation scope using the full consolidation method. It has been idle since its incorporation.

In April, Chilean company Compañía de Telecomunicaciones de Chile, Marketing e Información, S.A., a subsidiary of Atento Chile, S.A., was wound up. The company, which was fully consolidated in the Telefónica Group's financial statements, was removed from the consolidation scope.

Spanish company Telefónica Remesas, S.A. was incorporated by Telefónica Telecomunicaciones Públicas, S.A., a wholly owned Telefónica Group subsidiary, with initial capital of 0.3 million euros, fully subscribed and paid. This company has been included in the Telefónica Group's consolidation scope using the full consolidation method.

Telefónica Móviles España, S.A., a 100% owned subsidiary of Telefónica, S.A., sold its 32.18% stake in Moroccan company Medi Telecom, S.A. (Méditel) and the company's outstanding loans, for 400 million euros to the rest of Méditel's local partners. This company, which in 2008 was accounted for by the Telefónica Group using the equity method, was removed from the consolidation scope.

In September, Argentine company Atusa, S.A. was incorporated, with initial capital of 50 thousand Argentine pesos, which was fully subscribed. The Telefónica Group paid for 25% of the company. This company has been included in the Telefónica Group's consolidated financial statements using the full consolidation method.

In 2009, Spanish company Atento Teleservicios España, S.A.U., a wholly owned subsidiary of the Telefónica Group, took over and merged Amsterdam-based company Atento EMEA, B.V. This

company, which was fully consolidated in the Telefónica Group's consolidated financial statements, was removed from the consolidation scope.

Following the sale of Sintonia, S.A.'s stake in Telco S.p.A. (Telco), the Italian company with a 22.45% shareholding in telecommunications operator Telecom Italia S.p.A., Telefónica, S.A.'s stake in Telco increased from 42.3% to 46.18%, maintaining its effective interest in Telecom Italia S.p.A. through this company at 10.36% of the voting shares. The company is still accounted for in the Telefónica Group consolidated financial statements using the equity method.

In November, Telefónica Servicios Audiovisuales, S.A., a whole owned subsidiary of the Telefónica Group, acquired 100% of Spanish company Gloway Broadcast Services, S.L. ("Gloway") for approximately 6 million euros. This company has been included in the Telefónica Group's consolidated financial statements using the full consolidation method.

The main changes in consolidation scope in 2008 were as follows:

Telefónica Spain

In June 2008, Spanish company Iberbanda, S.A. raised and then decreased capital to offset losses. In the move, Telefónica de España, S.A.U. subscribed more shares than corresponded to its shareholding, thereby raising its stake in the company from 51% to 58.94%. This company is still fully consolidated.

Telefónica Latin America

On September 17, 2008, Telefónica launched a tender offer through its Inversiones Telefónica Internacional Holding, Ltda. subsidiary to acquire all the outstanding shares of Compañia Telefónica de Chile, S.A. ("CTC") that Telefónica did not control directly or indirectly. This amounted to 55.1% of CTC's share capital. This included all CTC shares listed on the Santiago de Chile and New York Stock Exchanges (represented by American Depositary Shares). The offer was structured as a purchase of shares in cash, initially at a price of 1,000 Chilean pesos for class A shares and 900 Chilean pesos for class B shares. On October 11, 2008 the offer price was increased to 1,100 Chilean pesos for class A shares and 990 Chilean pesos for class B shares.

Upon completion of the acceptance period of the tender offer, a total of 496,341,699 shares issued by CTC were tendered, representing 94.11% of the shares to which the offer related and a total investment of approximately 640 million euros.

After settlement of the transaction, Telefónica's indirect ownership in CTC's share capital increased from 44.9% to 96.75%. This Chilean company was still included in the Telefónica Group's consolidation scope using the full consolidation method.

Subsequently, pursuant to the obligations in Chilean law, on December 1, 2008, Telefónica, through subsidiary Inversiones Telefónica Internacional Holding, Ltda., presented a second tender offer to acquire all the outstanding shares of CTC that it did not own, directly or indirectly, after settlement of the first offer (representing 3.25% of CTC's capital), on the same economic terms as the initial bid. This offer expired on January 9, 2009.

In August 2008, Telefónica del Perú, S.A.A. acquired 71.29% of Peruvian company Star Global Com, S.A.C. for 8 million US dollars. The company was included in the Telefónica Group's consolidation scope using the full consolidation method.

On April 3, 2008, in accordance with the terms of a sale and purchase agreement entered into on August 2, 2007, after the pertinent administration authorizations were obtained, Vivo Participaçoes,

S.A. ("VIVO") completed the acquisition of 53.90% of the voting stock (ON) and 4.27% of the preferred stock (PN) of Telemig Celular Participaçoes, S.A., the controlling shareholder of Telemig Celular, S.A., a mobile telephony operator in the State of Minas Gerais (Brazil). According to the terms of the sale and purchase agreement, the total purchase price was 1,163 million reais (approximately 429 million euros). VIVO also acquired the right held by the seller to subscribe in the future for paid up shares in Telemig Celular Participaçoes, S.A. for a price of approximately 70 million Brazilian reais (26 million euros).

Moreover, on April 8, 2008, VIVO, through its subsidiary Tele Centro Oeste IP, S.A., launched a voluntary tender offer for shares representing up to one third of the free float represented by the preferred stock in Telemig Celular Participaçoes, S.A. and in its subsidiary Telemig Celular, S.A. at a price of 63.90 and 654.72 Brazilian reais, respectively. Once the offer concluded, on May 15, 2008, having reached a level of acceptance of close to 100%, TCO IP, S.A. acquired 31.9% and 6% of the preferred shares of Telemig Celular Participaçoes, S.A. and Telemig Celular, S.A., respectively. Furthermore, in accordance with Brazilian Corporations law, TCO IP, S.A. submitted a mandatory tender offer on July 15 for all the voting stock in Telemig Celular Participaçoes, S.A. and Telemig Celular, S.A. at a price per share equivalent to 80% of the purchase price of the voting stock of these companies.

On December 19, 2008, approval was given by shareholders of Telemig Celular Participaçoes, S.A., Telemig Celular, S.A. and Vivo Participaçoes, S.A. (Vivo) in their respective extraordinary meetings to reorganize the Vivo Group, whereby TCO IP, S.A. was spun off. Its assets were subsequently integrated under Telemig Celular, S.A. and Telemig Celular Participaçoes, S.A., making Vivo a shareholder in both Brazilian companies, with direct and indirect stakes at December 31, 2008 amounting to 90.65% and 58.9%, respectively. Both companies were included in the Telefónica Group's consolidation scope using proportionate consolidation.

Multi Holding Corporation, S.A., which was wholly owned by Telefónica, S.A., was wound up. Accordingly, the company, which was fully consolidated in the Telefónica Group's financial statements, was removed from the consolidation scope.

On June 16, 2006, Telefónica de Argentina, S.A signed a contract to acquire the shares of Telefónica Data Argentina, S.A. (787,697 shares, representing 97.89% of its share capital) held by Telefónica Data Corp, S.A.U., a wholly owned subsidiary of Telefónica.

After extending the deadline for the sale, on January 28, 2008 Telefónica Data Corp, S.A.U. assumed the obligation to acquire all the shares of Telefónica Data Argentina, S.A. it did not already own (14,948 shares at a price of 224.30 Argentine pesos, representing 1.8578% of share capital). This acquisition was carried out on November 17, 2008.

As a result, Telefónica DataCorp, S.A.U. became owner of 802,645 shares, representing 100% of Telefónica Data Argentina, S.A. It subsequently transferred these shares to Telefónica de Argentina, S.A. in various stages, which ended on December 11, 2008.

Other companies

In November 2008, Telefónica del Perú, S.A.A. sold a total of 4,496,984 shares representing approximately 30% of the share capital of Teleatento del Perú, S.A.C. to Dutch company Atento, N.V. (1,124,246 shares), Chilean company Atento Chile (2,323,442 shares) and to shareholders of Teleatento del Perú, S.A.C. itself (1,049,296 shares), for approximately 103 million new soles. Following this transaction, the Telefónica Group holds 100% of the Peruvian company's share capital. This company was still fully consolidated.

In October 2008, Atento Holding Inversiones y Teleservicios, S.A. (Atento HIT) set up Dutch company Atento EMEA, B.V., with start-up capital of approximately 21 thousand euros. This capital was provided via the spin-off of the wholly owned subsidiary Atento HIT, Atento, N.V. The companies it owned in Europe and Morocco then belonged to the new company Atento EMEA, while those located in Latin America and Italy were still controlled by Atento, N.V. Both the newly created Atento EMEA, B.V. and the existing Atento, N.V. were fully consolidated in the Telefónica Group. In addition, on March 4, 2008, Atento HIT acquired 100% of the shares of Telemarketing Prague, a.s.

In January 2008, Turmed, S.L. and the Telefónica Group, through its wholly owned Terra Networks Asociadas, S.L. subsidiary, sold their 100% stakes in Viajar.com Viajes, S.L.U. and Terra Business Travel, S.A., respectively, to the Spanish company Red Universal de Marketing y Bookings On Line, S.A. (RUMBO). The Telefónica Group consolidated this company using the equity method until February 2008 and then proportionately from March. Subsequently, on October 28, 2008, RUMBO, Viajar.com Viajes, S.L.U. and Terra Business Travel, S.A. were merged, with RUMBO absorbing Viajar.com Viajes, S.L.U. and Terra Business Travel, S.A., which were extinguished.

Terra Lycos Holding, B.V. and Telefónica U.S.A. Advisors Inc. were liquidated.

In March 2008, Telco S.p.A., in which Telefónica holds a stake of 42.3%, acquired 121.5 million shares at a price of 1.23 euros per share in the Italian company Telecom Italia (equivalent to 0.9% of its share capital), bringing its total direct interest to 24.5% of the voting rights and 16.9% of the dividend rights. The transaction implied a payment of 149.8 million euros.

As a result, the Telefónica Group indirectly held 10.4% of Telecom Italia's voting rights and 7.1% of its dividend rights. Telco S.p.A. was included in the Telefónica Group's consolidated financial statements by the equity method.

After a capital hike by Colombian company Telefónica Móviles Colombia, S.A., which Telefónica, S.A. fully subscribed, Telefónica, S.A.'s stake in the company increased to 49.42%, while the shareholding of Colombian company Olympic, Ltd., a 99.99% subsidiary of the Telefónica Group, decreased to 50.58%. The Telefónica Group still consolidated the Colombian operator using the full consolidation method.

In December, Portuguese company Portugal Telecom, SGPS, S.A. (PT) bought back and cancelled 46,082,677 shares in line with its share buyback program. This raised the Telefónica Group's direct and indirect ownership interest to 10.48%. In accordance with article 20 of the Portuguese stock market code, Telefónica sold 4,264,394 shares of PT, thereby lowering its stake to 10%. This company was still included in the consolidation scope using the equity method.

In December 2008, Telefactoring Colombia, S.A. was incorporated, with start-up capital amounting to 4 billion Colombian pesos, fully subscribed and paid in. Telefónica subscribed and paid 1,620 million Colombian pesos, equivalent to a 40.5% stake. This company had yet to commence operations and was not included in the consolidation scope at the end of 2008.

Changes to the 2007 consolidation scope are described in the following sections.

Telefónica Europe

Telefónica O2 Europe Plc, a wholly owned subsidiary of Telefónica, S.A., and its 100%-owned subsidiary O2 Holdings, Ltd, sold 100% of the share capital of UK company Airwave O2, Ltd, for 1,932 million pounds sterling (equivalent to 2,841 million euros at the transaction date), obtaining a

gain of 1,296 million euros. This company, which had been fully consolidated in the Telefónica Group, was removed from the consolidation scope.

On December 20, 2007, the O2 Group transferred legal ownership to the entire business in Germany to Telefónica, S.A. through a dividend in kind for 8,500 million euros.

Telefónica Latin America

In 2007, Brazilian company Telecomunicaçoes de Sao Paulo, S.A. acquired 100% of Brazilian company NavyTree Participaçoes, S.A. for 361 million euros. This company was included in the consolidation scope using the full consolidation method.

Other companies

In February 2007, 100% of the shares of Endemol France were sold to Endemol, N.V., a company in which the Telefónica Group has a 75% stake.

In May, 2007, Telefónica, S.A. signed an agreement to sell its 99.7% stake in Dutch company Endemol Investment Holding, B.V. to a newly created consortium owned equally by Mediacinco Cartera, S.L., a newly created company owned by Italian company Mediaset and its listed Spanish subsidiary Gestevisión Telecinco, Cyrte Fond II, B.V. and G.S. Capital Partners VI Fund, L.P, for 2,629 million euros, obtaining capital gains of 1,368 million euros. This sale was carried out on July 3, 2007. This company, which had been fully consolidated in the Telefónica Group, was removed from the consolidation scope.

In August 2007, the Telefónica Group disposed of its 100% holding in Spanish company Azeler Automoción, S.A. for 0.34 million euros. This company, which had been fully consolidated in the Telefónica Group, was removed from the consolidation scope.

On April 28, 2007, Telefónica, S.A., together with its partners Assicurazioni Generali S.p.A., Intesa Sanpaolo, S.p.A., Mediobanca S.p.A. and Sintonía, S.A. (Benetton), entered into a "Co- Investment Agreement" and "Shareholders Agreement" with a view to establishing the terms and conditions of their acquisition of an indirect shareholding in Telecom Italia S.p.A. through an Italian company, currently called Telco S.p.A., in which Telefónica has a 42.3% interest. Both agreements were modified on October 25, 2007 following the inclusion of the Assicurazioni Generali Group companies indicated and the "Shareholders Agreement" was further amended on November 19, 2007.

On October 25, 2007 Telco S.p.A. acquired 100% of Olimpia, S.p.A., which held 17.99% of the voting shares of Telecom Italia S.p.A. Also on that date, Assicurazioni Generali S.p.A. (together with its group companies Alleanza Assicurazioni S.p.A., INA Assitalia S.p.A., Volksfürsorge Deutsche Lebenversicherung A.G. and Generali Vie S.A.) and Mediobanca S.p.A. contributed a total share of 5.6% of Telecom Italia S.p.A.'s voting shares (4.06% and 1.54%, respectively) to Telco S.p.A.

On December 10, 2007, an agreement was reached to takeover and merge Olimpia S.p.A. into Telco S.p.A., making Telco S.p.A's entire stake in the voting shares of the Italian operator (23.6%) direct and leaving Telefónica with an indirect holding in the voting shares of Telecom Italia S.p.A. of 9.98% (6.88% of the dividend rights) for 2,314 million euros.

The "Shareholders Agreement" signed on April 28, 2007, contained a general clause whereby both Telefónica, at the shareholders meetings of Telco S.p.A. and Telecom Italia S.p.A, and the Telefónica directors appointed to the companies' respective boards, would abstain from participating in and voting at the meetings dealing with issues regarding the provision of

telecommunications services by companies controlled by Telecom Italia S.p.A., in countries where there are legal or regulatory restrictions on the exercise of voting rights by Telefónica.

However, as indicated above, on November 19, 2007 the partners expounded on and detailed the "Shareholders Agreement", as well as the Bylaws of Telco S.p.A., to include the specific limitations imposed by the Brazilian telecommunications regulator, *Agência Nacional de Telecomunicações* ("ANATEL"), as initially posted on its website on October 23, 2007 and subsequently published on November 5, 2007 as ANATEL's "Ato" no. 68,276 dated October 31, 2007.

Pursuant to clause 8.5(a) of the "Shareholders Agreement," on November 6, 2007 Telco S.p.A. and Telefónica entered into a Call Option Agreement giving Telefónica the option to buy shares of Telecom Italia S.p.A. in the event Telco S.p.A adopted a resolution to sell or pledge shares of Telecom Italia S.p.A (or rights related to its shares, such as voting rights) by simple majority and Telefónica were the "dissenting party," under the terms of the "Shareholders Agreement."

Telefónica

APPENDIX II: DEBENTURES AND BONDS

The list and main features of outstanding debentures and bonds at December 31, 2009 are as follows (in millions of euros):

Telefónica and special purpose vehicles				Maturity						
Debentures and bonds	Currency	% Interest rate	Final rate	2010	2011	2012	2013	2014	Subsequent years	Total
CAIXA 07/21/29 ZERO COUPON	EUR	6.39%	6.390%	-	-	-	-	-	57	57
ABN 15Y BOND	EUR	1.0225xGBSW10Y	3.80%	-	-	-	-	-	50	50
TELEFÓNICA FEBRUARY 90C 12.60%	EUR	12.6%	12.600%	4	-	-	-	-	-	4
TELEFÓNICA FEBRUARY 90 F ZERO COUPON	EUR	12.82%	12.820%	15	-	-	-	-	-	15
Telefónica, S.A.				19	-	-	-	-	107	126
T. EUROPE BV SEP_00 GLOBAL C	USD	7.75%	7.750%	1,735	-	-	-	-	-	1,735
T. EUROPE BV SEP_00 GLOBAL D	USD	8.25%	8.250%	-	-	-	-	-	868	868
TEBV FEB_03 EMTN FIXED TRANCHE A	EUR	5.125%	5.125%	-	-	-	1,500	-	-	1,500
TEBV FEB_03 EMTN FIXED TRANCHE B	EUR	5.875%	5.875%	-	-	-	-	-	500	500
T.EUROPE BV JULY A 2007	JPY	2.11%	2.110%	-	-	113	-	-	-	113
T.EUROPE BV JULY B 2007	JPY	1 x JPYLSM + 0.40000%	1.060%	-	-	113	-	-	-	113
Telefónica Europe, B.V.				1,735	-	226	1,500	-	1,368	4,829
EMTN O2 EUR (I)	EUR	4.375%	4.375%	-	-	-	-	-	1,750	1,750
EMTN O2 EURO (II)	EUR	3.75%	3.750%	-	2,250	-	-	-	-	2,250
EMTN O2 GBP (I)	GBP	5.375%	5.375%	-	-	-	-	-	844	844
EMTN O2 GBP (II)	GBP	5.375%	5.375%	-	-	-	-	-	563	563
TELEF. EMISIONES JUN 06 TRANCHE B	USD	5.984%	5.984%	-	694	-	-	-	-	694
TELEF. EMISIONES JUN 06 TRANCHE C	USD	6.421%	6.421%	-	-	-	-	-	868	868
TELEF. EMISIONES JUN 06 TRANCHE D	USD	7.045%	7.045%	-	-	-	-	-	1,388	1,388
TELEF. EMISIONES JULY 06	EUR	1 x EURIBOR3M + 0.35000%	1.083%	1,250	-	-	-	-	-	1,250
TELEF. EMISIONES SEPTEMBER 06	EUR	4.393%	4.393%	-	-	500	-	-	-	500
TELEF. EMISIONES DECEMBER 06	GBP	5.888%	5.888%	-	-	-	-	563	-	563
TELEF. EMISIONES JANUARY 06 A	EUR	1 x EURIBOR6M + 0.83000%	1.822%	-	-	-	-	-	55	55
TELEF. EMISIONES JANUARY 06 B	EUR	1 x EURIBOR3M + 0.70000%	1.422%	-	-	-	-	-	24	24
TELEF. EMISIONES FEBRUARY 07	EUR	4.674%	4.674%	-	-	-	-	1,500	-	1,500
TELEF. EMISIONES JUNE A 07	CZK	1 x CZKPRIB_3M + 0.16000%	1.710%	91	-	-	-	-	-	91
TELEF. EMISIONES JUNE B 07	CZK	4.351%	4.351%	-	-	113	-	-	-	113
TELEF. EMISIONES JUNE C 07	CZK	4.623%	4.623%	-	-	-	-	98	-	98
TELEF. EMISIONES JULY A 07	USD	5.855%	5.855%	-	-	-	521	-	-	521
TELEF. EMISIONES JULY B 07	USD	1 x USDL3M + 0.33000%	0.609%	-	-	-	590	-	-	590
TELEF. EMISIONES JULY C 07	USD	6.221%	6.221%	-	-	-	-	-	486	486
TELEF. EMISIONES JUNE 08	EUR	5.58%	5.580%	-	-	-	1,250	-	-	1,250
TELEF. EMISIONES FEBRUARY 09	EUR	5.431%	5.431%	-	-	-	-	2,000	-	2,000
TELEF. EMISIONES APRIL 2016	EUR	5.4960%	5.496%	-	-	-	-	-	1,000	1,000
TELEF. EMISIONES JUNE 2015	EUR	1 x EURIBOR3M + 1.823%	2.544%	-	-	-	-	-	400	400
TELEF. EMISIONES APRIL 1, 2016	EUR	5.496%	5.496%	-	-	-	-	-	500	500
TELEF. EMISIONES JULY 6, 2015	USD	4.949%	4.949%	-	-	-	-	-	868	868
TELEF. EMISIONES JULY 15, 2019	USD	5.877%	5.877%	-	-	-	-	-	694	694
TELEF. EMISIONES NOVEMBER 11, 2019	EUR	4.693%	4.693%	-	-	-	-	-	1,750	1,750
EMTN GBP 12/09/22 650 GBP	GBP	5.289%	5.289%	-	-	-	-	-	732	732
TELEF. EMISIONES DECEMBER 09	EUR	1 x EURIBOR3M + 0.70%	1.409%	-	-	-	-	100	-	100
Telefónica Emisiones, S.A.U.				1,341	2,944	613	2,361	4,261	11,922	23,442
Total Telefónica, S.A. and special purpose vehicles				3,095	2,944	839	3,861	4,261	13,397	28,397

Telefónica

Foreign operators			Maturity						
Debentures and bonds	Currency	% Interest rate	2010	2011	2012	2013	2014	Subsequent years	Total
Marketable debentures	USD	9%	101	-	-	-	-	-	101
Marketable debentures	USD	8.85%	-	80	-	-	-	-	80
Telefónica Argentina, S.A.			101	80	-	-	-	-	181
Series F	UF	6.00%	2	2	2	2	2	3	13
Series L	UF	3.75%	-	-	86	-	-	-	86
Series M	CLP	6.05%	-	-	-	-	28	-	28
Series N	UF	4.50%	-	-	-	-	143	-	143
CTC Chile			2	2	88	2	173	3	270
Series A	CLP	5.60%	-	-	-	-	44	-	44
Telefónica Móviles Chile			-	-	-	-	44	-	44
Series A	USD	7.75%	3	2	-	-	-	-	5
Series B	USD	8.00%	2	2	2	-	-	-	6
Series D	USD	8.50%	3	3	3	3	-	-	12
Otecel, S.A.			8	7	5	3	-	-	23
Peso bonds, Series A	MXN	91-day CETES + 0.61%	425	-	-	-	-	-	425
Peso bonds, Series B	MXN	9.250%	-	-	186	-	-	-	186
Telefónica Finanzas México			425	-	186	-	-	-	611
O2 sterling issue	GBP	7.625%	-	-	422	-	-	-	422
O2			-	-	422	-	-	-	422
T. Peru 3rd Program (1st series)	PEN	VAC +5.00%	12	-	-	-	-	-	12
T. Peru 4th Program (10th Series A)	PEN	7.8750%	-	-	-	-	-	-	-
T. Peru 4th Program (10th Series B)	PEN	6.4375%	-	-	12	-	-	-	12
T. Peru 4th Program (12th Series A)	PEN	VAC + 3.6875%	-	-	-	-	-	15	15
T. Peru 4th Program (14th Series A)	PEN	6.3750%	12	-	-	-	-	-	12
T. Peru 4th Program (14th Series B)	PEN	5.9375%	-	8	-	-	-	-	8
T. Peru 4th Program (14th Series C)	PEN	5.7500%	-	11	-	-	-	-	11
T. Peru 4th Program (16th Series A)	PEN	6.0000%	-	-	24	-	-	-	24
T. Peru 4th Program (16th Series B)	PEN	6.2500%	-	-	-	7	-	-	7
T. Peru 4th Program (19th Series A)	PEN	VAC + 3.6250%	-	-	-	-	-	15	15
T. Peru 4th Program (19th Series B)	PEN	VAC + 2.8750%	-	-	-	-	-	12	12
T. Peru 4th Program (19th Series C)	PEN	VAC + 3.1875%	-	-	-	-	-	9	9
T. Peru 4th Program (36th Series A)	PEN	VAC + 3.6875%	-	-	-	-	-	38	38
T. Peru 4th Program (36th Series B)	PEN	VAC + 3.3750%	-	-	-	-	-	13	13
T. Peru 4th Program (37th Series A)	PEN	VAC + 3.1250%	-	-	-	-	-	12	12
T. Peru 4th Program (38th Series A)	PEN	6.6250%	-	-	19	-	-	-	19
T. Peru 4th Program (40th Series A)	PEN	5.8750%	-	7	-	-	-	-	7
T. Peru 4th Program (40th Series B)	PEN	4.8750%	-	4	-	-	-	-	4
T. Peru 4th Program (41st Series A)	PEN	7.9375%	-	-	4	-	-	-	4
T. Peru 4th Program (42nd Series A)	PEN	7.8750%	-	-	-	6	-	-	6
T. Peru 4th Program (42nd Series B)	PEN	5.3125%	-	-	-	5	-	-	5
T. Peru 4th Program (42nd Series C)	PEN	6.0625%	-	-	-	3	-	-	3
T. Peru 4th Program (45th Series A)	USD	6.6875%	-	-	-	-	-	15	15
T. Peru 4th Program (7th Series C)	PEN	5.5625%	4	-	-	-	-	-	4
T. Peru 4th Program (8th Series A)	PEN	7.3750%	7	-	-	-	-	-	7
T. Peru 4th Program (8th Series B)	PEN	6.2500%	13	-	-	-	-	-	13
T. Peru 4th Program (9th Series A)	PEN	6.9375%	-	14	-	-	-	-	14
T. Peru 4th Program (9th Series B)	PEN	6.3750%	-	21	-	-	-	-	21
T. Peru 5th Program (1st Series A)	PEN	3.5000%	-	7	-	-	-	-	7
T. Peru 5th Program (1st Series B)	PEN	3.5000%	-	6	-	-	-	-	6
T. Peru 5th Program (22nd Series A)	PEN	VAC + 3.5000%	-	-	-	-	-	14	14
T. Peru 5th Program (3rd Series A)	PEN	4.3750%	-	-	7	-	-	-	7
T. Peru 5th Program (5th Series A)	PEN	6.1875%	-	-	-	5	-	-	5
T. Peru Senior Notes	PEN	8.0000%	-	-	-	30	60	91	181
Telefónica del Perú, S.A.A.			48	78	73	56	60	230	545
T.M. Peru 1st Program (10th Series A)	PEN	8.1875%	-	-	-	6	-	-	6
T.M. Peru 1st Program (18th Series A)	PEN	6.3125%	-	-	-	-	10	-	10
T.M. Peru 1st Program (18th Series B)	PEN	6.3750%	-	-	-	-	15	-	15
T.M. Peru 1st Program (2nd Series A)	PEN	7.0625%	-	12	-	-	-	-	12
T.M. Peru 1st Program (2nd Series B)	PEN	7.5625%	-	6	-	-	-	-	6
T.M. Peru 1st Program (2nd Series C)	PEN	7.5625%	-	11	-	-	-	-	11
T.M. Peru 1st Program (3rd Series A)	PEN	7.4375%	-	-	-	8	-	-	8
T.M. Peru 1st Program (3rd Series B)	PEN	7.6875%	-	-	-	5	-	-	5
T.M. Peru 1st Program (6th Series A)	PEN	6.4375%	11	-	-	-	-	-	11
Telefónica Móviles, S.A (Perú)			11	29	-	19	25	-	84
Nonconvertible bonds	BRL	1.043* CDI	159	-	-	-	-	-	159
Nonconvertible bonds	BRL	1.02 *CDI	-	40	-	-	-	-	40
Nonconvertible bonds	BRL	1.1355*CDI	42	-	-	-	-	-	42
Nonconvertible bonds	BRL	1.08 *CDI	-	-	20	-	-	-	20
Nonconvertible bonds	BRL	1.12 *CDI	-	-	-	128	-	-	128
Nonconvertible bonds	BRL	CPI-A + 7%	-	-	-	-	14	-	14
Convertible bonds (Telesp)	BRL	CPI-A + 0.5%	-	-	-	-	-	10	10
Vivo Participações, S.A.			201	40	20	128	14	10	413
Nonconvertible bonds	BRL	1.* CDI + 0.35000%	598	-	-	-	-	-	598
Telesp			598	-	-	-	-	-	598
Total issues other operators			1,391	236	794	208	316	243	3,191
TOTAL OUTSTANDING DEBENTURES AND BONDS			4,489	3,180	1,633	4,069	4,577	13,640	31,588

Telefónica

The list and main features of outstanding debentures and bonds at December 31, 2008 are as follows (in millions of euros):

Telefónica and special purpose vehicles Debentures and bonds	Currency	% Interest rate	Final rate	Maturity 2009	2010	2011	2012	2013	Subsequent years	Total
ABN 15Y BOND	EUR	1.0225 * GBSW10Y	5.260%	-	-	-	-	-	50	50
CAIXA 07/21/29 ZERO COUPON	EUR	6.370%	6.370%	-	-	-	-	-	54	54
TELEFÓNICA FEBRUARY 90 F ZERO COUPON	EUR	12.579%	12.579%	-	14	-	-	-	-	14
TELEFÓNICA FEBRUARY 90C-12.60%	EUR	12.600%	12.600%	-	4	-	-	-	-	4
TELEFÓNICA JUNE 99-EURIBOR+63BP	EUR	1*EURIBOR1Y+0.63000%	6.038%	300	-	-	-	-	-	300
TELEFÓNICA MARCH 99-4.50%	EUR	4.500%	4.500%	500	-	-	-	-	-	500
Telefónica, S.A.				**800**	**18**	-	-	-	**104**	**922**
T. EUROPE BV SEP_00 GLOBAL C	USD	7.750%	7.750%	-	1,796	-	-	-	-	1,796
T. EUROPE BV SEP_00 GLOBAL D	USD	8.250%	8.250%	-	-	-	-	-	876	876
TEBV FEB_03 EMTN FIXED TRANCHE A	EUR	5.125%	5.125%	-	-	-	-	1,500	-	1,500
TEBV FEB_03 EMTN FIXED TRANCHE B	EUR	5.875%	5.875%	-	-	-	-	-	500	500
T.EUROPE BV JULY A 2007	JPY	2.110%	2.110%	-	-	-	119	-	-	119
T.EUROPE BV JULY B 2007	JPY	1 x JPYL6M + 0.40000%	1.411%	-	-	-	119	-	-	119
Telefónica Europe, B.V.				-	**1,796**	-	**238**	**1,500**	**1,398**	**4,932**
EMTN O2 EUR (I)	EUR	4.375%	4.375%	-	-	-	-	-	1,750	1,750
EMTN O2 EURO (II)	EUR	3.750%	3.750%	-	-	2,250	-	-	-	2,250
EMTN O2 GBP (I)	GBP	5.375%	5.375%	-	-	-	-	-	781	781
EMTN O2 GBP (II)	GBP	5.375%	5.375%	-	-	-	-	-	525	525
TELEF. EMISIONES JUN 06 TRANCHE A	USD	1 * USDL3M + 0.30000%	1.825%	719	-	-	-	-	-	719
TELEF. EMISIONES JUN 06 TRANCHE B	USD	5.984%	5.984%	-	-	719	-	-	-	719
TELEF. EMISIONES JUN 06 TRANCHE C	USD	6.421%	6.421%	-	-	-	-	-	898	898
TELEF. EMISIONES JUN 06 TRANCHE D	USD	7.045%	7.045%	-	-	-	-	-	1,437	1,437
TELEF. EMISIONES JULY 06	EUR	1 * EURIBOR3M + 0.35000%	5.271%	-	1,250	-	-	-	-	1,250
TELEF. EMISIONES SEPTEMBER 06	EUR	4.393%	4.393%	-	-	-	500	-	-	500
TELEF. EMISIONES DECEMBER 06	GBP	5.888%	5.888%	-	-	-	-	-	525	525
TELEF. EMISIONES JANUARY 06 A	EUR	1 * EURIBOR6M + 0.83000%	3.891%	-	-	-	-	-	55	55
TELEF. EMISIONES JANUARY 06 TRANCHE B	EUR	1 * EURIBOR3M + 0.70000%	5.527%	-	-	-	-	-	24	24
TELEF. EMISIONES FEBRUARY 07	EUR	4.674%	4.674%	-	-	-	-	-	1,500	1,500
TELEF. EMISIONES MARCH 07	EUR	1 * EURIBOR3M + 0.13000%	3.121%	350	-	-	-	-	-	350
TELEF. EMISIONES JUNE A 07	CZK	1 * CZKPRIB_3M + 0.16000%	4.070%	-	89	-	-	-	-	89
TELEF. EMISIONES JUNE B 07	CZK	4.351%	4.351%	-	-	-	111	-	-	111
TELEF. EMISIONES JUNE C 07	CZK	4.623%	4.623%	-	-	-	-	-	97	97
TELEF. EMISIONES JULY A 07	USD	5.855%	5.855%	-	-	-	-	439	-	439
TELEF. EMISIONES JULY B 07	USD	1 * USDL3M + 0.33000%	3.356%	-	-	-	-	611	-	611
TELEF. EMISIONES JULY C 07	USD	6.221%	6.221%	-	-	-	-	-	503	503
TELEF. EMISIONES JUNE 08	EUR	5.580%	5.580%	-	-	-	-	1,250	-	1,250
Telefónica Emisiones, S.A.U.				**1,069**	**1,339**	**2,969**	**611**	**2,400**	**8,101**	**16,489**
Total Telefónica, S.A. and special purpose vehicles				**1,869**	**3,153**	**2,969**	**849**	**3,900**	**9,603**	**22,343**

Telefónica

Foreign operators			Maturity						
Debentures and bonds	Currency	% Interest rate	2009	2010	2011	2012	2013	Subsequent years	Total
Marketable debentures	USD	9.125%	-	141	-	-	-	-	141
Marketable debentures	USD	8.85%	-	-	97	-	-	-	97
Marketable debentures	USD	8.85%	-	-	-	-	-	-	-
Telefónica de Argentina, SA			-	141	97	-	-	-	238
Series F	UFC	6%	2	2	2	2	2	4	13
Series L	UFC	3.75%	-	-	-	73	-	-	73
CTC Chile			2	2	2	75	2	4	86
Peso bonds, Series A	MXN	91-day CETES + 0.61%	-	425	-	-	-	-	425
Peso bonds, Series B	MXN	9.25%	-	-	-	186	-	-	186
Telefónica Finanzas México			-	425	-	186	-	-	611
O2 sterling issue	GBP	7.625%	-	-	-	394	-	-	394
O2			-	-	-	394	-	-	394
8th issue T. Peru bonds	USD	3.8125%	12	-	-	-	-	-	12
T. Peru 1st Program (2nd)	PEN	VAC + 7%	10	-	-	-	-	-	10
T. Peru 3rd Program (1st)	PEN	VAC + 5%	-	11	-	-	-	-	11
T. Peru 4th Program (10th Series A)	PEN	7.875%	-	-	-	7	-	-	7
T. Peru 4th Program (10th Series B)	PEN	6.4375%	-	-	-	12	-	-	12
T. Peru 4th Program (12th Series A)	PEN	VAC + 3.6875%	-	-	-	-	-	14	14
T. Peru 4th Program (14th Series A)	PEN	6.375%	-	11	-	-	-	-	11
T. Peru 4th Program (14th Series B)	PEN	5.9375%	-	-	8	-	-	-	8
T. Peru 4th Program (14th Series C)	PEN	5.75%	-	-	10	-	-	-	10
T. Peru 4th Program (16th Series A)	PEN	6%	-	-	-	23	-	-	23
T. Peru 4th Program (16th Series B)	PEN	6.25%	-	-	-	-	7	-	7
T. Peru 4th Program (19th Series A)	PEN	VAC + 3.625%	-	-	-	-	-	14	14
T. Peru 4th Program (19th Series B)	PEN	VAC + 2.875%	-	-	-	-	-	11	11
T. Peru 4th Program (19th Series C)	PEN	VAC + 3.1875%	-	-	-	-	-	5	5
T. Peru 4th Program (36th Series A)	PEN	VAC + 3.6875%	-	-	-	-	-	34	34
T. Peru 4th Program (36th Series B)	PEN	VAC + 3.375%	-	-	-	-	-	11	11
T. Peru 4th Program (37th Series A)	PEN	VAC + 3.125%	-	-	-	-	-	11	11
T. Peru 4th Program (13th Series A)	PEN	5.2625%	18	-	-	-	-	-	18
T. Peru 4th Program (4th Series A)	PEN	6.625%	-	-	-	18	-	-	18
T. Peru 4th Program (7th)	PEN	6.1875%	12	-	-	-	-	-	12
T. Peru 4th Program (7th Series B)	PEN	5.875%	4	-	-	-	-	-	4
T. Peru 4th Program (7th Series C)	PEN	5.5625%	-	4	-	-	-	-	4
T. Peru 4th Program (8th Series A)	PEN	7.375%	-	7	-	-	-	-	7
T. Peru 4th Program (8th Series B)	PEN	6.25%	-	12	-	-	-	-	12
T. Peru 4th Program (9th Series A)	PEN	6.9375%	-	-	13	-	-	-	13
T. Peru 4th Program (9th Series B)	PEN	6.375%	-	-	20	-	-	-	20
T. Peru Senior Notes	PEN	8%	-	-	-	-	29	144	173
Telefónica de Perú, S.A.A.			56	45	51	60	36	244	492
T.M. Peru 1st Program (1st Series A)	PEN	6.25%	11	-	-	-	-	-	11
T.M. Peru 1st Program (2nd Series A)	PEN	7.0625%	-	-	11	-	-	-	11
T.M. Peru 1st Program (2nd Series B)	PEN	7.5625%	-	-	6	-	-	-	6
T.M. Peru 1st Program (2nd Series C)	PEN	7.5625%	-	-	10	-	-	-	10
T.M. Peru 1st Program (3rd Series A)	PEN	7.4375%	-	-	-	-	8	-	8
T.M. Peru 1st Program (3rd Series B)	PEN	7.6875%	-	-	-	-	5	-	5
T.M. Peru 1st Program (6th Series A)	PEN	6.4375%	-	11	-	-	-	-	11
Telefónica Móviles, S.A. (Peru)			11	11	27	-	13	-	62
Nonconvertible bonds	BRL	104.2% CDI	-	-	-	-	-	123	123
Nonconvertible bonds	BRL	103% CDI	-	-	-	-	-	31	31
Convertible bonds (Telemig) I	BRL	CPI-A + 0.5%	-	-	-	-	-	1	1
Convertible bonds (Telemig) II	BRL	CPI-A + 0.5%	-	-	-	-	-	3	3
Convertible bonds (Telemig) III	BRL	CPI-A + 0.5%	-	-	-	-	-	5	5
Vivo Participações, S.A.			-	-	-	-	-	163	163
Nonconvertible bonds	BRL	1 x CDI + 0.35000%	-	461	-	-	-	-	461
Telesp			-	461	-	-	-	-	461
Total issues other operators			69	1,085	177	715	50	410	2,505
TOTAL OUTSTANDING DEBENTURES AND BONDS			1,938	4,239	3,146	1,563	3,950	10,013	24,849

Telefónica

The main debentures and bonds issued by the Group in 2009 are as follows:

Item	Date	Nominal value (millions)	Nominal value (millions of euros)	Currency of issuance	Maturity	Interest rate
EMTN bonds	02-03-09	2,000	2,000	EUR	02-03-14	5.431%
	04-01-09	1,000	1,000	EUR	04-01-16	5.496%
	06-01-09	500	500	EUR	04-01-16	5.75%
	06-02-09	400	400	EUR	06-02-15	3-month Euribor + 1.825%
	11-10-09	1,750	1,750	EUR	11-11-19	6.692%
	12-10-09	650	732	GBP	12-09-22	5.289%
	12-23-09	100	100	EUR	12-23-14	3-month Euribor + 0.70%
SEC bond	07-06-09	1,000	694	USD	07-15-19	5.877%
	07-06-09	1,250	868	USD	01-15-15	4.949%
Telefónica Emisiones, S.A.U.						
Debentures	01-16-09	105	42	BRL	01-11-10	113.85% CDI
	10-15-09	49	20	BRL	10-15-19	108% CDI (until 10/15/12 (1))
	10-15-09	320	128	BRL	10-15-19	112% CDI (until 10/15/12 (1))
	10-15-09	36	14	BRL	10-15-19	HCPI + 7% (until 10/15/14 (1))
Vivo Participações, S.A.						
Bonds	04-15-09	5	143	UFC	04-01-14	3.50%
	04-22-09	20,500	28	CLP	04-01-14	5.62%
	08-05-09	32,000	44	CLP	07-15-14	5.60%
CTC Chile						
Bonds	02-12-09	16.675	4	PEN	02-12-12	7.9375%
	03-27-09	25	6	PEN	03-27-13	7.375%
	06-08-09	14.30	3	PEN	06-08-13	6.0625%
	06-08-09	15.70	4	PEN	06-08-11	4.875%
	05-19-09	30	7	PEN	05-19-11	5.8750%
	05-19-09	20.50	5	PEN	05-19-16	5.3125%
	04-22-09	22	15	USD	04-22-13	6.6875%
	06-16-09	21	5	PEN	06-17-13	6.875%
	10-20-09	25	6	PEN	10-20-11	3.5%
	10-20-09	30	7	PEN	10-20-12	4.375%
	10-07-09	60	14	PEN	10-07-21	VAC + 3.5%
	09-14-09	30	7	PEN	09-14-11	3.5%
Telefónica de Perú, S.A.A						
Bonds	01-23-09	23	6	PEN	01-23-13	8.1875%
	09-22-09	40	10	PEN	09-23-14	6.3125%
	10-05-09	62	15	PEN	10-06-14	6.375%
Telefónica Móviles, S.A. (Perú)						
Securities	04-01-09 / 06-2-09	13	3	USD	03-2-11	7.95%
	04-01-09 / 06-10-09	9	6	USD	03-16-12	8.00%
	04-01-09	20	14	USD	03-11-13	8.50%
Otecel, S.A.						

(1) Date on which certain conditions are renegotiated

The main debentures and bonds issued by the Group in 2008 are as follows:

Item	Date	Nominal value (millions)	Nominal value (millions of euros)	Currency of issuance	Maturity	Interest rate
EMTN bonds	06/12/2008	1,250	1,250	EUR	06/12/2013	5.38%
Telefónica Emisiones, S.A.U.						
Bonds	03/04/2008	34	8	PEN	03/04/2011	5.9375%
	03/18/2008	50	11	PEN	03/18/2018	VAC (*) + 3.375%
	03/02/2008	45	10	PEN	04/02/2011	5.5%
	04/14/2008	30	7	PEN	04/14/2013	6.25%
	04/22/2008	49	11	PEN	04/22/2028	VAC (*) + 2.8750%
	05/22/2008	48	11	PEN	05/22/2028	VAC (*) + 3.1250%
	07/21/2008	20	5	PEN	07/21/2028	VAC (*) + 3.1875%
Telefónica de Perú, S.A.A.						

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APPENDIX III: FINANCIAL INSTRUMENTS

The detail of the type of financial instruments arranged by the Group (notional amount) by currency and interest rates at December 31, 2009 is as follows:

Millions of Euros	2010	2011	2012	2013	2014	Subsequent years	Total	Fair value		
								Underlying debt	Associated derivatives	TOTAL
EURO	**(1,933)**	**8,517**	**3,998**	**3,917**	**3,336**	**11,493**	**29,328**	**24,400**	**5,234**	**29,634**
Floating rate	(6,551)	5,197	515	3,879	2,514	(42)	5,512	9,421	(3,865)	5,556
Spread - Ref Euribor	(0.14%)	0.25%	1.49%	0.05%	0.03%	(11.71%)	(10.03%)			
Fixed rate	4,618	3,320	133	38	822	10,285	19,216	10,347	9,109	19,456
Interest rate	4.47%	1.88%	(4.63%)	67.24%	10.33%	27.37%	106.66%	-	-	-
Rate cap	-	-	3,350	-	-	1,250	4,600	4,632	(10)	4,622
OTHER EUROPEAN CURRENCIES	**60**	**805**	**1,271**	**172**	**883**	**2,581**	**5,772**	**4,263**	**1,875**	**6,138**
Instruments in CZK	1,855	123	224	-	320	(14)	2,508	321	2,212	2,533
Floating rate	283	-	111	-	-	-	394	91	304	395
Spread	0.07%	-	(0.00%)	-	-	-	0.07%			
Fixed rate	1,572	123	113	-	320	(14)	2,114	230	1,908	2,138
Interest rate	2.03%	3.43%	4.35%	-	3.84%	3.84%	17.49%	-	-	-
Rate cap	-	-	-	-	-	-	-	-	-	-
Instruments in GBP	(1,795)	682	1,047	172	563	2,595	3,264	3,942	(337)	3,605
Floating rate	-	55	231	166	563	619	1,634	320	1,420	1,740
Spread	-	(0.50%)	0.27%	0.27%	-	-	0.04%			
Fixed rate	(1,795)	627	422	6	-	1,863	1,123	3,111	(1,757)	1,354
Interest rate	0.88%	5.12%	7.63%	6.44%	-	15.71%	35.78%	-	-	-
Rate cap	-	-	394	-	-	113	507	511	-	511
AMERICA	**(1,136)**	**1,349**	**1,089**	**1,344**	**830**	**4,138**	**7,614**	**13,663**	**(6,802)**	**6,861**
Instruments in USD	**(200)**	**87**	**45**	**629**	**56**	**1,325**	**1,942**	**11,208**	**(9,622)**	**1,586**
Floating rate	291	(152)	90	436	19	21	705	1,560	(1,094)	466
Spread	0.19%	1.98%	0.82%	0.61%	0.35%	0.70%	4.66%			
Fixed rate	(501)	229	(55)	183	27	1,285	1,168	9,580	(8,528)	1,052
Interest rate	(0.60%)	9.48%	4.06%	3.53%	3.80%	23.38%	43.65%	-	-	-
Rate cap	10	10	10	10	10	19	69	68	-	68
Instruments in UYU	**(12)**	**2**	-	-	-	-	**(10)**	**1**	-	**1**
Floating rate	-	-	-	-	-	-	-	-	-	-
Spread	-	-	-	-	-	-	-			
Fixed rate	(12)	2	-	-	-	-	(10)	1	-	1
Interest rate	1.15%	3.75%	-	-	-	-	4.90%	-	-	-
Rate cap	-	-	-	-	-	-	-	-	-	-
Instruments in ARS	**216**	**143**	-	-	-	-	**359**	**(120)**	**461**	**341**
Floating rate	-	-	-	-	-	-	-	-	-	-
Spread	-	-	-	-	-	-	-			
Fixed rate	216	143	-	-	-	-	359	(120)	461	341
Interest rate	12.18%	14.68%	-	-	-	-	26.86%	-	-	-
Rate cap	-	-	-	-	-	-	-	-	-	-
Instruments in BRL	**(113)**	**331**	**309**	**400**	**243**	**291**	**1,461**	**972**	**448**	**1,420**
Floating rate	(233)	245	217	340	219	168	956	753	176	929
Spread	(4.10%)	3.03%	3.37%	2.16%	3.10%	1.60%	9.16%			
Fixed rate	120	86	92	60	24	123	505	219	272	491
Interest rate	11.63%	9.59%	9.74%	5.29%	9.93%	19.16%	65.34%	-	-	-
Rate cap	-	-	-	-	-	-	-	-	-	-
Instruments in CLP	**74**	**206**	**192**	**95**	**267**	-	**834**	**(34)**	**830**	**796**
Floating rate	209	110	73	21	28	-	441	105	353	458
Spread	0.60%	1.10%	1.63%	1.48%	-	-	4.81%			
Fixed rate	(135)	96	119	74	239	-	393	(139)	477	338
Interest rate	0.16%	1.81%	3.86%	3.66%	5.97%	-	15.46%	-	-	-
Rate cap	-	-	-	-	-	-	-	-	-	-
Instruments in UFC	**(77)**	**80**	**2**	**2**	**2**	**3**	**12**	**(296)**	**(264)**	**(560)**
Floating rate	-	-	-	-	-	-	-	-	(103)	(103)
Spread	-	-	-	-	-	-	-			
Fixed rate	(77)	80	2	2	2	3	12	(296)	(161)	(457)
Interest rate	1.23%	4.43%	7.45%	6.00%	5.43%	12.00%	36.54%	-	-	-
Rate cap	-	-	-	-	-	-	-	-	-	-
Instruments in PEN	**84**	**246**	**102**	**89**	**103**	**315**	**939**	**827**	**143**	**970**
Floating rate	-	-	-	-	-	-	-	-	-	-
Spread	-	-	-	-	-	-	-			
Fixed rate	84	246	102	89	103	315	939	827	143	970
Interest rate	11.43%	5.23%	6.56%	7.25%	7.61%	36.07%	74.15%	-	-	-
Rate cap	-	-	-	-	-	-	-	-	-	-
Instruments in COP	**200**	**254**	**253**	**129**	**159**	-	**995**	**563**	**670**	**1,233**

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Millions of Euros	2010					Subsequent years		Fair value		TOTAL
Floating rate	9	59	81	108	138	-	395	409	-	409
Spread	3.19%	2.74%	2.86%	2.96%	3.28%	-	15. 03%			
Fixed rate	191	195	172	21	21	-	600	154	670	824
Interest rate	7.85%	8.27%	8.43%	7.09%	7.09%	-	38.73%	-	-	
Rate cap	-	-	-	-	-	-	-	-	-	-
Instruments in UVR	-	-	-	-	-	2,175	2,175	2,175	-	2,175
Floating rate	-	-	-	-	-	-	-	-	-	-
Spread	-	-	-	-	-	-	-			
Fixed rate	-	-	-	-	-	2,175	2,175	2,175	-	2,175
Interest rate	-	-	-	-	-	23.01%	23.01%	-	-	
Rate cap	-	-	-	-	-	-	-	-	-	-
Instruments in VEB	(2, 264)	-	-	-	-	-	(2,264)	(2,263)	-	(2,263)
Floating rate	-	-	-	-	-	-	-	-	-	-
Spread	-	-	-	-	-	-	-			
Fixed rate	(2,264)	-	-	-	-	-	(2,264)	(2,263)	-	(2,263)
Interest rate	0.98%	-	-	-	-	-	0.98%	-	-	
Rate cap	-	-	-	-	-	-	-	-	-	-
Instruments in MXN	959	-	186	-	-	29	1,174	633	532	1,165
Floating rate	263	-	-	-	-	-	263	421	3	424
Spread	0.61%	-	-	-	-	-	0.61%			
Fixed rate	696	-	186	-	-	29	911	212	529	741
Interest rate	5.74%	-	9.25%	-	-	12.52%	27.51%	-	-	
Rate cap	-	-	-	-	-	-	-	-	-	-
Instruments in GTQ	(3)	-	-	-	-	-	(3)	(3)	-	(3)
Floating rate	(3)	-	-	-	-	-	(3)	(3)	-	(3)
Spread	0.01%	-	-	-	-	-	0.01%			
Fixed rate	-	-	-	-	-	-	-	-	-	-
Interest rate	-	-	-	-	-	-	-	-	-	-
Rate cap	-	-	-	-	-	-	-	-	-	-
ASIA	-	-	-	-	-	-	-	207	(250)	(43)
Instruments in JPY	-	-	-	-	-	-	-	207	(250)	(43)
Floating rate	-	-	-	-	-	-	-	113	(113)	-
Spread	-	-	-	-	-	-	-			
Fixed rate	-	-	-	-	-	-	-	94	(137)	(43)
Interest rate	-	-	-	-	-	-	-	-	-	-
Rate cap	-	-	-	-	-	-	-	-	-	-
AFRICA	-	-	88	-	-	-	88	-	84	84
Instruments in MAD	-	-	88	-	-	-	88	-	84	84
Floating rate	-	-	-	-	-	-	-	-	-	-
Spread	-	-	-	-	-	-	-			
Fixed rate	-	-	88	-	-	-	88	-	84	84
Interest rate	-	-	4.54%	-	-	-	4.54%	-	-	
Rate cap	-	-	-	-	-	-	-	-	-	-
TOTAL	(3,009)	10,671	6,446	5,433	5,049	18,212	42,802	42,533	141	42,674
Floating rate	(5,732)	5,514	1,318	4,950	3,481	766	10,297	13,190	(2,919)	10,271
Fixed rate	2,713	5,147	1,374	473	1,558	16,064	27,329	24,132	3,070	27,202
Rate cap	10	10	3,754	10	10	1,382	5,176	5,211	(10)	5,201
Currency options							(99)			
Other							848			

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The table below is an extract of the previous table that shows the sensitivity to interest rates originated by our position on interest rate swaps categorized into instruments entered into for trading purposes and instruments entered into for purposes other than trading purposes at December 31, 2009:

INTEREST RATE SWAPS								
	Maturity							
Millions of euros	2010	2011	2012	2013	2014	Subsequent years	TOTAL	Fair value
TRADING PURPOSES								
EUR								(214)
Fixed to floating	-	-	-	-	-	-	-	(389)
Receiving leg	(790)	(1,685)	(420)	(1,250)	(1,065)	(1,736)	(6,946)	(5,823)
Average interest rate	3.23%	3.50%	3.77%	4.69%	3.33%	3.47%	3.67%	-
Paying leg	790	1,685	420	1,250	1,065	1,736	6,946	5,434
Average spread	0.80%	0.01%	0.05%	0.03%	0.01%	0.00%	0.11%	-
Floating to fixed	-	-	-	-	-	-	-	175
Receiving leg	(8,742)	(935)	(231)	(710)	(950)	(2,195)	(13,763)	(11,185)
Average spread	0.10%	-	-	-	-	-	0.07%	-
Paying leg	8,742	935	231	710	950	2,195	13,284	11,760
Average interest rate	1.31%	1.57%	2.18%	2.18%	3.52%	3.27%	1.84%	-
USD	-	-	-	-	-	-	-	(37)
Fixed to floating	-	-	-	-	-	-	-	(28)
Receiving leg	(594)	(63)	-	-	-	(229)	(886)	(914)
Average interest rate	-	3.08%	-	-	-	3.74%	4.43%	-
Paying leg	594	63	-	-	-	229	886	886
Average spread	-	-				-	-	-
Floating to fixed	-	-	-	-	-	-	-	(9)
Receiving leg	(486)	(191)	(451)	(416)	-	(635)	(2,179)	(473)
Average spread	0.20%	0.35%	3.99%	3.61%		-	1.59%	-
Paying leg	486	191	451	416	-	635	2,179	464
Average interest rate	2.62%	0.50%	-	-		3.68%	1.70%	-
MXN	-	-	-	-	-	-	-	-
Floating to fixed	-	-					-	-
Receiving leg	(1)	-	-	-	-	-	(1)	(1)
Average spread	(0.54%)	-	-	-	-	-	(0.54%)	
Paying leg	1	-	-	-	-	-	1	1
Average interest rate	8.43%	-	-	-	-	-	8.43%	

INTEREST RATE SWAPS								
	Maturity							
Millions of euros	2010	2011	2012	2013	2014	Subsequent years	TOTAL	Fair value
NON TRADING PURPOSES								
EUR	-	-	-	-	-	-	-	(274)
Fixed to floating	-	-	-	-	-	-	-	(669)
Receiving leg	(5,088)	(2,039)	(504)	(1,654)	(3,055)	(3,313)	(15,653)	(13,806)
Average interest rate	3.23%	3.50%	3.77%	4.69%	3.33%	3.47%	3.51%	-
Paying leg	5,088	2,039	504	1,654	3,055	3,313	15,653	13,137
Average spread	0.80%	0.01%	0.05%	0.03%	0.01%	0.00%	0.27%	-
Floating to fixed	-	-	-	-	-	-	-	395
Receiving leg	(5,312)	(3,949)	(500)	(550)	(730)	(7,503)	(18,544)	(14,842)
Average spread	0.19%	-	-	3.48%	2.35%	-	0.25%	-
Paying leg	5,312	3,949	500	550	730	7,503	18,544	15,237
Average interest rate	2.64%	2.82%	3.74%	-	1.09%	3.72%	3.01%	-
CZK	-	-	-	-	-	-	-	5
Floating to fixed	-	-	-	-	-	-	-	5
Receiving leg	(430)	-	-	-	-	-	(430)	(430)
Average spread	0.01%	-	-	-	-	-	0.01%	-
Paying leg	430	-	-	-	-	-	430	435
Average interest rate	3.35%	-	-	-		-	3.35%	-
USD	-	-	-	-	-	-	-	(547)
Fixed to floating	-	-	-	-	-	-	-	(583)
Receiving leg	-	(694)	-	(521)	-	(4,304)	(5,519)	(6,103)
Average interest rate		3.90%		5.52%		4.84%	4.79%	-
Paying leg	-	694	-	521	-	4,304	5,519	5,520
Average spread	-	-	-	-	-	-	-	-
Floating to fixed	-	-	-	-	-	-	-	36
Receiving leg	(26)	(26)	(26)	(616)	(26)	(51)	(771)	(769)
Average spread	-	-	-	-	-	-		-

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INTEREST RATE SWAPS								
	Maturity							
Millions of euros	2010	2011	2012	2013	2014		TOTAL	Fair value
Paying leg	26	26	26	616	26	51	771	805
Average interest rate	4.34%	4.34%	4.34%	3.35%	4.34%	4.34%	3.55%	-
BRL	-	-	-	-	-	-	-	-
Floating to floating	-	-	-	-	-	-	-	-
Receiving leg	(598)	-	-	-	-	-	(598)	(483)
Average spread	0.35%	-	-	-	-	-	0.35%	-
Paying leg	598	-	-	-	-	-	598	483
Average spread	-	-	-	-	-	-	-	-
MXN	-	-	-	-	-	-	-	3
Floating to fixed	-	-	-	-	-	-	-	-
Receiving leg	(159)	-	-	-	-	-	(159)	(166)
Average spread	0.61%	-	-	-	-	-	0.61%	-
Paying leg	159	-	-	-	-	-	159	169
Average interest rate	8.16%	-	-	-	-	-	8.16%	-
GBP	-	-	-	-	-	-	-	22
Fixed to floating	-	-	-	-	-	-	-	3216
Receiving leg	-	-	-	-	(563)	(732)	(1,295)	(1341)
Average interest rate	-	-	-	-	5.25%	3.92%	4.50%	-
Paying leg	-	-	-	-	563	732	1,295	1,557
Average spread	-	-	-	-	1.64%	0.92%	-	-
Floating to fixed	-	-	-	-	-	-	-	(194)
Receiving leg	-	(609)	-	-	-	(455)	(1,064)	(1,065)
Average spread	-	-	-	-	-	-	-	-
Paying leg	-	609	-	-	-	455	1,064	871
Average interest rate	-	5.12%	-	-	-	4.96%	5.05%	-
JPY	-	-	-	-	-	-	-	(4)
Fixed to floating	-	-	-	-	-	-	-	(4)
Receiving leg	-	-	(113)	-	-	-	(113)	(113)
Average interest rate	-	-	1.68%	-	-	-	1.68%	-
Paying leg	-	-	113	-	-	-	113	113
Average spread	-	-	-	-	-	-	-	-
CLP	-	-	-	-	-	-	-	-
Fixed to floating	-	-	-	-	-	-	-	1
Receiving leg	-	-	-	(21)	(28)	-	(49)	(49)
Average interest rate	-	-	-	4.12%	4.51%	-	4.34%	-
Paying leg	-	-	-	21	28	-	49	49
Average spread	-	-	-	-	-	-	-	-
Floating to fixed	-	-	-	-	-	-	-	(1)
Receiving leg	(82)	(96)	(51)	(95)	-	-	(324)	(147)
Average spread	1.55%	-	-	-	-	-	0.39%	-
Paying leg	82	96	51	95	-	-	324	146
Average interest rate	-	1.82%	3.74%	1.76%	-	-	2.23%	-

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Foreign exchange and interest rate options, by maturity, at December 31, 2009 are as follows:

	CURRENCY OPTIONS MATURITIES				
Figures in euros	2010	2011	2012	2013	Subsequent years
Put USD / Call EUR					
Notional amount of options bought	-	201,305,012	-	70,803,832	1,664,931,279
Strike	-	1.59%	-	1.50%	1.75%
Notional amount of options sold	-	195,129,693	-	-	831,255,453
Strike	-	1.49%	-	-	1.20%

INTEREST RATE OPTIONS

	MATURITIES				
Figures in euros	2010	2011	2012	2013	Subsequent years
Collars					
Notional bought	-	-	1,119,299,628	-	2,161,986,806
Strike Cap	-	-	4.746%	-	4.77%
Strike Floor	-	-	3.409%	-	3.48%
Caps					
Notional bought	-	-	3,412,999,662	-	
Strike	-	-	4.205%	-	
Notional sold	-	-	6,032,299,291	-	2,161,986,806
Strike	-	-	5.399%	-	5.003%
Floors					
Notional bought	-	-	2,619,299,628	-	2,094,499,493
Strike	-	-	2.844%	-	0.802%
Notional sold	363, 096,573	-	700,000,000	-	-
Strike	4. 382%	-	2. 147%	-	-

Cash flows receivable or payable on derivative financial instruments settled via the swap of nominals, by currency of collection/payment, along with contractual maturities are as follows:

Millions of euros		2010	2011	2012	2013	2014	Subsequent years	Total
Currency swaps								
Receive	ARS	-	-	-	-	-	-	-
Pay	ARS	(130)	(52)	-	-	-	-	(182)
Receive	BRL	-	-	-	-	-	-	-
Pay	BRL	(51)	(64)	(65)	(4)	(38)	(88)	(310)
Receive	CLP	96	175	82	95	-	-	448
Pay	CLP	(191)	(349)	(232)	(189)	(195)	-	(1,156)
Receive	COP	-	-	-	-	-	-	-
Pay	COP	(86)	(172)	(172)	(21)	(21)	-	(472)
Receive	CZK	-	-	-	-	-	-	-
Pay	CZK	(622)	(111)	(111)	-	(222)	-	(1,066)
Receive	EUR	1,714	958	323	-	280	588	3,863
Pay	EUR	(3,619)	(785)	(356)	(1,118)	-	(7,872)	(13,750)
Receive	GBP	873	-	-	-	-	-	873
Pay	GBP	(873)	(609)	-	-	-	(455)	(1,937)
Receive	JPY	8	9	451	-	-	113	581
Pay	JPY	-	-	-	-	-	-	-
Receive	MAD	-	-	-	-	-	-	-
Pay	MAD	-	-	(88)	-	-	-	(88)
Receive	MXN	-	-	-	-	-	-	-
Pay	MXN	(2)	-	-	-	-	-	(2)
Receive	PEN	-	-	-	-	-	-	-
Pay	PEN	(7)	(15)	(16)	(16)	(13)	(60)	(127)

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Receive	UFC	204	34	172	-	143	-	553
Pay	UFC	(102)	(111)	(86)	-	-	-	(299)
Receive	USD	1,959	1,297	160	1,286	67	7,283	12,052
Pay	USD	(7)	(156)	-	(104)	-	-	(267)
TOTAL		(836)	49	62	(71)	1	(491)	(1,286)
Forwards								
Receive	ARS	42	-	-	-	-	-	42
Pay	ARS	(340)	-	-	-	-	-	(340)
Receive	BRL	-	-	-	-	-	-	-
Pay	BRL	(159)	-	-	-	-	-	(159)
Receive	CLP	142	-	-	-	-	-	142
Pay	CLP	(244)	(1)	-	-	-	-	(245)
Receive	COP	22	-	-	-	-	-	22
Pay	COP	(191)	-	-	-	-	-	(191)
Receive	CZK	-	-	-	-	-	14	14
Pay	CZK	(1,145)	-	-	-	-	-	(1,145)
Receive	EUR	3,262	-	-	-	-	-	3,262
Pay	EUR	(2,985)	(3)	(23)	(19)	-	(14)	(3,044)
Receive	GBP	2,488	-	-	-	-	-	2,488
Pay	GBP	(544)	-	-	-	-	-	(544)
Receive	MXN	-	-	-	-	-	-	-
Pay	MXN	(530)	-	-	-	-	-	(530)
Receive	PEN	25	-	-	-	-	-	25
Pay	PEN	(27)	-	-	-	-	-	(27)
Receive	UFC	140	-	-	-	-	-	140
Pay	UFC	(142)	-	-	-	-	-	(142)
Receive	USD	2,112	4	24	20	-	-	2,160
Pay	USD	(1,897)	-	-	-	-	-	(1,897)
TOTAL		29	-	1	1	-	-	31

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The breakdown of financial instruments arranged by us (notional amount) by currency and interest rates at December 31, 2008, is as follows:

Millions of Euros	2009	2010	2011	2012	2013	Subsequent years	Total	FAIR VALUE Underlying debt	Associated derivatives	TOTAL
EURO	619	3,198	8,482	3,223	4,066	7,893	27,481	24,421	2,626	27,047
Floating rate	(9,170)	(1,210)	6,475	(158)	4,112	799	848	7,639	(7,574)	65
Spread / Ref Euribor	0.05%	0.35%	0.18%	0.46%	0.04%	0.25%	0.62%			
Fixed rate	9,439	4,408	1,607	31	(46)	5,844	21,283	11,349	10,244	21,593
Interest rate	4.40%	4.76%	2.66%	-22.88%	-51.84%	4.20%	4.37%			
Rate cap	350	-	400	3,350	-	1,250	5,350	5,433	(44)	5,389
OTHER EUROPEAN CURRENCIES	846	700	779	1,770	160	2,359	6,614	3,557	2,964	6,521
Instruments in CZK	2,025	700	123	111	-	97	3,056	303	2,753	3,056
Floating rate	-	278	-	-	-	-	278	88	191	279
Spread	-	0.07%	-	-	-	-	0.07%			
Fixed rate	2,025	422	123	111	-	97	2,778	215	2,562	2,777
Interest rate	4.04%	3.35%	3.41%	4.35%	-	4.62%	3.94%			
Rate cap	-	-	-	-	-	-	-			
Instruments in GBP	(1,179)	-	656	1,659	160	2,262	3,558	3,254	211	3,465
Floating rate	-	-	63	740	155	(525)	433	59	569	628
Spread	-	-	4.60%	0.27%	0.27%	-	0.34%			
Fixed rate	(1,179)	-	593	394	5	1,737	1,550	1,916	(472)	1,444
Interest rate	3.16%	-	5.12%	7.63%	6.44%	5.27%	7.42%			
Rate cap	-	-	-	525	-	1,050	1,575	1,279	114	1,393
AMERICA	(60)	1,844	889	747	1,146	3,764	8,330	12,334	(6,555)	5,779
Instruments in USD	473	205	245	188	782	921	2,814	9,855	(9,502)	353
Floating rate	(529)	206	151	173	142	96	239	2,492	(2,374)	118
Spread	0.85%	0.41%	-1.34%	0.96%	1.89%	-	0.98%			
Fixed rate	669	(11)	84	5	630	795	2,172	6,957	(7,143)	(186)
Interest rate	4.09%	48.90%	26.66%	-7.92%	3.20%	13.30%	8.28%			
Rate cap	333	10	10	10	10	30	403	406	15	421
Instruments in UYU	(2)	2	2	-	-	-	2	1	-	1
Floating rate	-	-	-	-	-	-	-	-	-	-
Spread	-	-	-	-	-	-	-			
Fixed rate	(2)	2	2	-	-	-	2	1	-	1
Interest rate	-3.19%	3.75%	3.75%	-	-	-	13.67%			
Rate cap	-	-	-	-	-	-	-			
Instruments in ARS	110	141	59	-	-	-	310	(85)	321	236
Floating rate	-	-	-	-	-	-	-	-	-	-
Spread										
Fixed rate	110	141	59	-	-	-	310	(85)	321	236
Interest rate	-54.69%	6.63%	11.49%	-	-	-	-14.12%			
Rate cap	-	-	-	-	-	-	-			
Instruments in BRL	(209)	726	161	154	154	311	1,297	607	661	1,268
Floating rate	(348)	667	136	130	130	272	987	548	469	1,017

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Millions of Euros		2009	2010	2011	2012	2013	Subsequent years	Total	FAIR VALUE Underlying debt	Associated derivatives	TOTAL
	Spread	0.74%	0.49%	3.64%	3.74%	3.75%		2.20%			
Fixed rate		139	59	25	24	24	39	310	59	192	251
	Interest rate	21.00%	4.23%	10.03%	10.03%	10.03%	9.90%	13.83%			
Rate cap		-	-	-	-	-	-	-			
Instruments in CLP		349	105	170	102	78	-	804	(15)	820	805
Floating rate		212	105	151	102	78	-	648	113	475	588
	Spread	-0.20%	0.09%	0.06%	0.13%			-0.01%			
Fixed rate		137	-	19	-	-	-	156	(128)	345	217
	Interest rate	8.59%	-	4.70%				8.11%			
Rate cap		-	-	-	-	-	-	-			
Instruments in UFC		2	2	68	2	2	4	80	171	(93)	78
Floating rate		-	-	-	-	-	-	-	86	(86)	-
	Spread	-	-	-	-	-	-	-			
Fixed rate		2	2	68	2	2	4	80	87	(9)	78
	Interest rate	6.53%	6.56%	4.43%	7.45%	6.00%	6.00%	4.74%			
Rate cap		-	-	-	-	-	-	-			
Instruments in PEN		161	181	102	82	61	339	926	807	155	962
Floating rate		-	-	-	-	-	-	-	-	-	-
	Spread	-	-	-	-	-	-	-			
Fixed rate		161	181	102	82	61	339	926	807	155	962
	Interest rate	5.63%	7.13%	6.67%	6.70%	7.45%	6.23%	6.47%			
Rate cap		-	-	-	-	-	-	-			
Instruments in COP		579	56	82	33	69	183	1,002	391	587	978
Floating rate		8	43	36	33	30	-	150	148	-	148
	Spread	-	-	-	-	-	-	-			
Fixed rate		571	13	46	-	39	183	852	243	587	830
	Interest rate	12.66%	15.82%	14.10%	-	13.44%	-	10.10%			
Rate cap		-	-	-	-	-	-	-			
Instruments in UVR		-	-	-	-	-	2,006	2,006	2,006	-	2,006
Floating rate		-	-	-	-	-	-	-	-	-	-
	Spread	-	-	-	-	-	-	-			
Fixed rate		-	-	-	-	-	2,006	2,006	2,006	-	2,006
	Interest rate	-	-	-	-	-	7.67%	7.67%			
Rate cap		-	-	-	-	-	-	-			
Instruments in VEB		(1,998)	-	-	-	-	-	(1,998)	(1,999)	-	(1,999)
Floating rate		-	-	-	-	-	-	-	-	-	-
	Spread	-	-	-	-	-	-	-			
Fixed rate		(1,998)	-	-	-	-	-	(1,998)	(1,999)	-	(1,999)
	Interest rate	10.34%	-	-	-	-	-	10.34%			
Rate cap		-	-	-	-	-	-	-			
Instruments in MXN		479	426		186			1,091	597	498	1,095
Floating rate		47	266	-	-	-	-	313	412	63	475
	Spread	3.30%	0.61%	-	-	-	-	1.01%			
Fixed rate		432	160	-	186	-	-	778	185	435	620
	Interest rate	12.85%	8.17%	-	9.25%	-	-	11.02%			

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Millions of Euros	2009	2010	2011	2012	2013	Subsequent years	Total	FAIR VALUE Underlying debt	Associated derivatives	TOTAL
Rate cap	-	-	-	-	-	-	-			
Instruments in GTQ	(4)	-	-	-	-	-	(4)	(4)	-	(4)
Floating rate	(4)	-	-	-	-	-	(4)	(4)	-	(4)
Spread	0.01%	-	-	-	-	-	0.01%			
Fixed rate	-	-	-	-	-	-	-	-	-	-
Interest rate	-	-	-	-	-	-	-			
Rate cap	-	-	-	-	-	-	-			
ASIA								575	(597)	(22)
Instruments in JPY	-	-	-	-	-	-	-	575	(597)	(22)
Floating rate	-	-	-	-	-	-	-	152	(158)	(6)
Spread	-	-	-	-	-	-	-			
Fixed rate	-	-	-	-	-	-	-	423	(439)	(16)
Interest rate	-	-	-	-	-	-	-			
Rate cap	-	-	-	-	-	-	-			
AFRICA				88			88		84	84
Instruments in MAD	-	-	-	88	-	-	88	-	84	84
Floating rate	-	-	-	-	-	-	-	-	-	-
Spread	-	-	-	-	-	-	-			
Fixed rate	-	-	-	88	-	-	88	-	84	84
Interest rate	-	-	-	4.54%	-	-	8.57%			
Rate cap	-	-	-	-	-	-	-			
TOTAL	1,405	5,742	10,150	5,828	5,372	14,016	42,513	- 40,887	(1,478)	39,409
Floating rate	(9,784)	355	7,012	1,020	4,647	642	3,892	- 11,733	(8,425)	3,308
Fixed rate	10,506	5,377	2,728	923	715	11,044	31,293	- 22,036	6,862	28,898
Rate cap	683	10	410	3,885	10	2,330	7,328	- 7,118	85	7,203
Currency options							(202)		(202)	
Other	-	-	-	-	-	-	422	-	-	-

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Figures in euros	CURRENCY OPTIONS					
	MATURITIES					
	2009	2010	2011	2012	2013	2013+
Call USD/Put BRL						
Notional amount of options bought	287,418,265	-	-	-	-	-
Strike	2.36					
Notional amount of options sold	290,062,464	-	-	-	-	-
Strike	2.36					
Put USD / Call BRL						
Notional amount of options bought	114,284,734					
Strike	1.86	-	-	-	-	-
Notional amount of options sold	143,709,133					
Strike	1.86	-	-	-	-	-
Call USD / Put ARS						
Notional amount of options bought	15,825,484	-	-			
Strike	3.38	-	-	-	-	-
Call USD / Put EUR						
Notional amount of options bought	291,010,994	-	208,378,242	-	148,020,407	1,723,431,774
Strike	1.59		1.59		1.49	1.40
Notional amount of options sold	268,984,547	-	195,129,693	-	-	831,255,453
Strike	1.51		1.49			1.20

Figures in euros	INTEREST RATE OPTIONS				
	MATURITIES				
	2009	2010	2011	2012	2013+
Collars					
Notional bought	781,127,398	-	400,000,000	200,000,000	2,689,686,974
Strike Cap	3.897%		4.000%	3.80%	4.52%
Strike Floor	2.733%	-	3.300%	2.80%	3.13%
Caps					
Notional bought	-	-	-	6,784,908,136	-
Strike			-	4.28%	
Notional sold	700,000,000	-	400,000,000	6,784,908,136	2,689,686,974
Strike	4.75%	-	4.55%	5.156%	5.24%
Floors					
Notional bought	1,481,127,398	-	400,000,000	567,454,068	2,599,868,766
Strike	0.71%	-	1.00%	1.15%	1.72%
Notional sold	1,050,000,000	367,974,663		1,067,454,068	
Strike	2.73%	4.39%	-	2.75%	-

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APPENDIX IV: INTEREST-BEARING DEBT

The main financing transactions included under this heading outstanding at December 31, 2009 and 2008 and their nominal amounts are as follows:

Name Summary	Amount of contract (millions)		Outstanding nominal balance (million euros) 12/31/09	12/31/08	Arrangement date	Maturity date
Telefónica Europe, B.V. syndicated loan O2 acquisition	5,250	GBP	3,091	4,203	12/07/06	12/14/13
Telefónica Europe, B.V. loan	15,000	JPY	113	119	08/23/07	07/27/37
Telefónica, S.A. syndicated loan Cesky acquisition	6,000	EUR	6,000	6,000	06/28/05	06/28/13
Telefónica, S.A. syndicated loan with savings banks	700	EUR	700	700	04/21/06	04/21/17
TELFISA EIB financing	257	USD	179	211	09/15/04	09/15/16
TELFISA EIB financing	109	EUR	109	125	11/15/04	09/15/16
TELFISA EIB financing	300	EUR	300	300	12/12/06	12/12/11
TELFISA EIB financing	100	EUR	100	100	01/31/07	01/31/15
TELFISA EIB financing	375	EUR	375	375	01/30/08	01/30/15
Vivo loans	765	BRL	287	211	07/13/07	08/15/14
Telesp loans	2,034	BRL	792	525	10/23/07	05/15/15
CTC loans	4	UFC	103	86	04/14/05	04/14/10
CTC syndicated loans	150	USD	104	108	10/28/05	06/21/11
CTC syndicated loans	150	USD	104	108	06/09/08	05/13/13
Telefónica Móviles Chile syndicated loans	180	USD	125	129	01/05/06	01/05/11
Telefónica Móviles Chile syndicated loans	100,000	CLP	105	113	11/15/06	11/15/12
Colombia Telecomunicaciones loans	310,000	COP	105	99	12/28/09	12/28/14
Telefónica Móviles Colombia loans	600	USD	417	431	12/20/07	11/15/12
Other			4,849	5,987		
TOTAL			17,958	19,930		

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APPENDIX V: MAIN COMPANIES COMPRISING THE TELEFÓNICA GROUP

The table below lists the main companies comprising the Telefónica Group at December 31, 2009 and the main investments consolidated using the equity method.

Included for each company are the company name, corporate purpose, country, functional currency, share capital (in million of functional currency units), the Telefónica Group's effective shareholding and the company or companies through which the Group holds a stake.

Name and corporate purpose	Country	Currency	Share capital	% Telefónica Group	Holding company
Parent company:					
Telefónica, S.A.	Spain	EUR	4,564		
Telefónica Spain					
Telefónica de España, S.A.U. *Telecommunications service provider*	Spain	EUR	1,024	100%	Telefónica, S.A. (100%)
Telefónica Móviles España, S.A.U. *Wireless communications services provider*	Spain	EUR	423	100%	Telefónica, S.A. (100%)
Telefónica Serv. de Informática y Com. de España, S.A.U. *Telecommunications systems, networks and infrastructure engineering*	Spain	EUR	6	100%	Telefónica de España, S.A.U. (100%)
Telefónica Soluciones Sectoriales, S.A.U. *Consulting services for ICT companies*	Spain	EUR	14	100%	Telefónica de España, S.A.U. (100%)
Interdomain, S.A.U. *Internet resources operator*	Spain	EUR	-	100%	Telefónica Soluciones Sectoriales, S.A. (100%)
Teleinformática y Comunicaciones, S.A.U. (TELYCO) *Promotion, marketing and distribution of telephone and telematic equipment and services*	Spain	EUR	8	100%	Telefónica de España, S.A.U. (100%)
Telyco Marruecos, S.A. *Promotion, marketing and distribution of telephone services*	Morocco	MAD	6	54.00%	Teleinformática y Comunicaciones, S.A. (TELYCO) (54.00%)
Telefónica Telecomunicaciones Públicas, S.A.U. *Installation of public telephones*	Spain	EUR	1	100%	Telefónica de España, S.A.U. (100%)
Telefónica Remesas, S.A. *Remittance management*	Spain	EUR	-	100%	Telefónica Telecomunicaciones Públicas, S.A.U. (100%)
Telefónica Sahari, S.A. *Management and operation of telecommunications and public television services*	Spain	EUR	-	51.00%	Telefónica Telecomunicaciones Públicas, S.A.U. (51.00%)
Ibertbanda, S.A. *Broadband telecommunications operator*	Spain	EUR	3	58.94%	Telefónica de España, S.A.U. (58.94%)
Telefónica Cable, S.A.U. *Cable telecommunication services provider*	Spain	EUR	3	100%	Telefónica de España, S.A.U. (100%)
Telefónica Latin America					
Telefónica Internacional, S.A. *Investment in the telecommunications industry abroad*	Spain	EUR	2,839	100%	Telefónica, S.A. (100%)
Telefónica International Holding, B.V. *Holding company*	Netherlands	USD	548	100%	Telefónica Internacional, S.A. (100%)
Latin American Cellular Holdings, B.V. (NETHERLANDS) *Holding company*	Netherlands	EUR	281	100%	Telefónica, S.A. (100%)
Telefónica Datacorp, S.A.U. *Telecommunications service provider and operator*	Spain	EUR	700	100%	Telefónica, S.A. (100%)
Telecomunicações de São Paulo, S.A. - TELESP *Wireline telephony operator in São Paulo*	Brazil	BRL	6,558	87.95%	Telefónica Internacional, S.A. (65.30%) São Paulo Telecomunicações Participações, Ltda. (22.65%)
Brasilcel, N.V. (*) *Joint Venture and holding company for wireless communications services*	Netherlands	BRL	-	50.00%	Telefónica, S.A. (50.00%)
Vivo Participações, S.A. (*) *Holding company*	Brazil	BRL	8,780	33.31%	Brasilcel, N.V. y subsidiarias (29.63%) Subsidiaries of Telefónica Group (3.68%)
Vivo, S.A. (*) *Wireless services operator*	Brazil	BRL	5,999	33.31%	Vivo Participações, S.A. (33.31%)
Telemig Celular, S.A. (*) *Wireless services operator*	Brazil	BRL	528	33.31%	Vivo Participações, S.A. (33.31%)
Compañía Internacional de Telecomunicaciones, S.A. *Holding company*	Argentina	ARS	731	100%	Telefónica Holding de Argentina, S.A. (50.00%) Telefónica International Holding, B.V. (37.33%) Telefónica Internacional, S.A. (12.67%)
Telefónica de Argentina, S.A. *Telecommunications service provider*	Argentina	ARS	624	100%	Compañía Internacional de Telecomunicaciones, S.A. (51.49%) Telefónica Internacional, S.A. (16.20%) Telefónica Móviles Argentina, S.A. (29.36%) Telefónica International Holding, B.V. (0.95%) Telefónica, S.A. (1.80%)

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Name and corporate purpose	Country	Currency	Share capital	% Telefónica Group	Holding company
Telefónica Móviles Argentina, S.A. *Wireless telephone services provider*	Argentina	ARS	1,198	100%	Telefónica Móviles Argentina Holding, S.A. (84.60%) Telefónica, S.A. (15.40%)
Telcel, C.A. *Wireless operator*	Venezuela	VEF	905	100%	Latin America Cellular Holdings, B.V. (97.21%) Telefónica, S.A. (0.08%) Comtel Comunicaciones Telefónicas, S.A. (2.71%)
Telefónica Móviles Chile, S.A. *Wireless communications services operator*	Chile	CLP	1,628,654	100%	TBM Inversiones Chile Ltda. (100%)
Telefónica Chile, S.A. *Local, long distance and international telephony services provider*	Chile	CLP	578,078	97.89%	Inversiones Telefónica Internacional Holding Ltda. (53.00%) Telefónica Internacional de Chile, S.A. (44.89%)
Telefónica del Perú, S.A.A. *Local: domestic and international long distance telephone service provider*	Peru	PEN	2,962	98.34%	Telefónica Internacional, S.A. (49.90%) Latin America Cellular Holdings, B.V. (48.28%) Telefónica, S.A. (0.16%)
Telefónica Móviles Perú, S.A.C. *Wireless communications services provider*	Peru	PEN	602	100%	Telefónica del Perú, S.A.A. (100%)
Colombia Telecomunicaciones, S.A. ESP *Communications services operator*	Colombia	COP	909,929	52.03%	Telefónica Internacional, S.A. (52.03%)
Telefónica Móviles Colombia, S.A. *Wireless operator*	Colombia	COP	-	100.00%	Olympic, Ltda. (50.58%) Telefónica, S.A. (49.42%)
Telefónica Móviles México, S.A. de C.V. (MEXICO) *Holding company*	Mexico	MXN	46,271	100%	Telefónica Internacional, S.A. (100%)
Pegaso Comunicaciones y Sistemas, S.A. de C.V. *Wireless telephone and communications services*	Mexico	MXN	27,173	100%	Telefónica Móviles México, S.A. de C.V. (100%)
Telefónica Móviles del Uruguay, S.A. *Wireless communications and services operator*	Uruguay	UYU	196	100%	Latin America Cellular Holdings, B.V. (68.00%) Telefónica, S.A. (32.00%)
Telefónica Larga Distancia de Puerto Rico, Inc. *Telecommunications service operator*	Puerto Rico	USD	111	98.00%	Telefónica Internacional, S.A. (98.00%)
Telefónica Móviles Panamá, S.A. *Wireless telephony services*	Panama	USD	71	100%	Telefónica, S.A. (56.31%) Panamá Cellular Holdings, B.V. (43.69%)
Telefónica Móviles El Salvador, S.A. de C.V. *Provision of wireless and international long distance communications services*	El Salvador	SVC	367, 541	99.08%	Telefónica El Salvador Holding, S.A. de C.V. (99.08%)
Telefónica Móviles Guatemala, S.A. *Wireless, wireline and radio paging communications services provider*	Guatemala	GTQ	1,420	99.98%	TCG Holdings, S.A. (65.99%) Telefónica, S.A. (13.60%) Guatemala Cellular Holdings, B.V. (13.12%) Panamá Cellular Holdings, B.V. (7.27%)
Telefonía Celular de Nicaragua, S.A. *Wireless telephony services*	Nicaragua	NIO	247	100%	Latin America Cellular Holdings, B.V. (98.00%) Telefónica El Salvador Holding, S.A. de C.V. (2.00%)
Otecel, S.A. *Wireless communications services provider*	Ecuador	USD	156	100%	Ecuador Cellular Holdings, B.V. (100%)
Telefónica International Wholesale Services, S.L. *International services provider*	Spain	EUR	230	100%	Telefónica, S.A. (92.51%) Telefónica Datacorp, S.A.U (7.49%)
Telefónica International Wholesale Services America, S.A. *Provision of high bandwidth communications services*	Uruguay	UYU	579	100%	Telefónica, S.A. (76.85%) Telefónica International Wholesale Services II, S.L. (23.15%)
Telefónica International Wholesale Services France, S.A.S. *Provision of high bandwidth communications services*	France	EUR	-	100%	Telefónica International Wholesale Services, S.L. (100%)
Telefónica International Wholesale Services Argentina, S.A. *Provision of high bandwidth communications services*	Argentina	USD	78	100%	T. International Wholesale Services America, S.A. (99.94%) Telefónica International Wholesale Services, S.L. (0.06%)
Telefónica International Wholesale Services Brasil Participaçoes, LtdParticipaçoes, Ltd. *Provision of high bandwidth communications services*	Brazil	USD	62	100%	Telefónica International Wholesale Services, S.L. (99.99%) Telefónica International, S.A. (0.01%)
Telefónica International Wholesale Services Perú, S.A.C. *Provision of high bandwidth communications services*	Peru	USD	20	100%	T. International Wholesale Services America, S.A. (100%) Telefónica Servicios Integrados, S.A.C.
Telefónica International Wholesale Services USA, Inc. *Provision of high bandwidth communications services*	United States	USD	36	100%	T. International Wholesale Services America, S.A. (100%)
Telefónica International Wholesale Services Puerto Rico, Inc. *Provision of high bandwidth communications services*	Puerto Rico	USD	24	100%	T. International Wholesale Services America, S.A. (100%)
Telefónica International Wholesale Services Ecuador, S.A *Provision of high bandwidth communications services*	Ecuador	USD	6	100%	T. International Wholesale Services America, S.A. (99.99%) Telefónica International Wholesale Services Perú, S.A.C. (0.01%)
Terra Networks Brasil, S.A. *ISP and portal*	Brazil	BRL	1,046	100%	Sao Paulo Telecomunicacoes Participaçoes, Ltda. (100%)
Terra Networks Mexico, S.A. de C.V. *ISP, portal and real-time financial information services*	Mexico	MXN	45	99.99%	Terra Networks Mexico Holding, S.A. de C.V. (99.99%)

Telefónica

Name and corporate purpose	Country	Currency	Share capital	% Telefónica Group	Holding company
Terra Networks Perú, S.A. *ISP and portal*	Perú	PEN	10	99.99%	Telefónica Internacional, S.A. (99.99%)
Terra Networks Argentina, S.A. *ISP and portal*	Argentina	ARS	18	100%	Telefónica Internacional, S.A. (99.92%) TelefónicaTelefónica International Holding, B.V. (0.08%)
Terra Networks Guatemala, S.A. *ISP and portal*	Guatemala	GTQ	154	99.99%	Telefónica Internacional, S.A. (99.99%)
TelefónicaTelefónica China, B.V. *Holding company*	Netherlands	EUR	-	100%	Telefónica Internacional, S.A. (100%)
Telefónica Europe					
Telefónica Europe plc *Holding company*	UK	GBP	13,061	100%	Telefónica, S.A. (100%)
MmO2 plc *Holding company*	UK	GBP	20	99.99%	Telefónica Europe plc (99.99%)
O2 Holdings Ltd. *Holding company*	UK	EUR	12	100%	MmO2 plc (100%)
Telefónica O2 UK Ltd. *Wireless communications services operator*	UK	GBP	10	100%	O2 Networks Ltd. (80.00%) O2 Celtic Ltd. (20.00%)
The Link Stores Ltd. *Telecommunications equipment retailer*	UK	GBP	-	100%	Telefónica O2 UK Ltd. (100%)
Be Un Limited (Be) *Internet services provider*	UK	GBP	10	100%	Telefónica O2 UK Ltd. (100%)
Tesco Mobile Ltd. (*) *Wireless telephony services*	UK	GBP	-	50.00%	O2 Ash Ltd. (50.00%)
O2 (Europe) Ltd. *Holding company*	UK	GBP	1,239	100%	Telefónica, S.A. (100%)
Telefónica O2 Germany GmbH & Co. OHG *Wireless communications services operator*	Germany	EUR	51	100%	Telefónica O2 Germany Verwaltungs GmBh (99.99%) Telefónica O2 Germany Management GmBh (0.01%)
Tchibo Mobilfunk GmbH & Co. KG (*) *Telecommunications equipment retailer*	Germany	EUR	16	50.00%	Telefónica O2 Germany GmbH & Co. OHG (50.00%)
TelefónicaTelefónica O2 Ireland Ltd. *Wireless communications services operator*	Ireland	EUR	98	100%	Kilmaine, Ltd. (1%) O2 Netherland Holdings B.V. (99%)
Manx Telecom Ltd. *Telecommunications service provider*	Isle of Man	GBP	12	100%	O2 (Netherlands) Holdings BV (100%)
Telefónica O2 Czech Republic, a.s. *Telecommunications service provider*	Czech Republic	CZK	32,209	69.41%	Telefónica, S.A. (69.41%)
Telefónica O2 Slovakia, s.r.o. *Wireless telephony, internet and data transmission services*	Slovak Republic	EUR	192	69.41%	Telefónica O2 Czech Republic, a.s. (100%)
Other companies					
Telefónica de Contenidos, S.A.U. *Organization and operation of multimedia service-related businesses*	Spain	EUR	1,865	100%	Telefónica, S.A. (100%)
Atlántida Comunicaciones, S.A. *Media*	Argentina	ARS	22	100%	Telefónica Media Argentina S.A. (93.02%) Telefónica Holding de Argentina, S.A. (6.98%)
Televisión Federal S.A.- TELEFE *Provision and operation TV and radio broadcasting services*	Argentina	ARS	148	100%	Atlántida Comunicaciones S.A. (79.02%) Editar S.A. (20.98%)
Telefónica Servicios Audiovisuales, S.A.U. *Provision of all type of audiovisual telecommunications services*	Spain	EUR	6	100%	Telefónica de Contenidos, S.A.U. (100%)
Gloway Broadcast Services, S.L. *DSNG-based transmission and operation services*	Spain	EUR	-	100%	Telefónica Servicios Audiovisuales, S.A.U. (100%)
Telefónica Servicios de Música, S.A.U. *Provision of telemarketing services*	Spain	EUR	1	100%	Telefónica de Contenidos, S.A.U. (100%)
Atento Inversiones y Teleservicios, S.A.U. *Telecommunications service provider*	Spain	EUR	24	100%	Telefónica, S.A. (100%)
Atento N.V. *Telecommunications service provider*	Netherlands	EUR	-	100%	Atento Inversiones y Teleservicios, S.A. (100%)
Atento Teleservicios España, S.A.U. *Provision of all type of telemarketing services*	Spain	EUR	1	100%	Atento N.V. (100%)
Atento Brasil, S.A. *Telecommunications services provider*	Brazil	BRL	152	100%	Atento N.V. (100%)
Atento Argentina, S.A. *Telecommunications services provider*	Argentina	ARS	3	100%	Atento Holding Chile, S.A. (97.99%) Atento N.V. (2.01%)
Teleatento del Perú, S.A.C. *Telecommunications services provider*	Peru	PEN	14	100%	Atento N.V. (83.33%) Atento Holding Chile, S.A. (16.67%)
Atento Chile, S.A. *Telecommunications services provider*	Chile	CLP	11,128	99.06%	Atento Holding Chile, S.A. (71.16%) Compañía de Telecomunicaciones de Chile, S.A. (26.52%) Telefónica Empresas Chile, S.A. (0.97%) Telefónica Larga Distancia, S.A. (0.43%)
Atento Centroamérica, S.A. *Provision of call-center services*	Guatemala	GTQ	55	100%	Atento N.V. (99.99%) Atento El Salvador, S.A. de C.V. (0.01%)
Terra Networks Asociadas, S.L. *Holding company*	Spain	EUR	7	100%	Telefónica, S.A. (100%)
Red Universal de Marketing y Bookings Online, S.A. (RUMBO) (*) *Online travel agency*	Spain	EUR	1	50.00%	Terra Networks Asociadas, S.L. (50.00%)

Telefónica

Name and corporate purpose	Country	Currency	Share capital	% Telefónica Group	Holding company
Telefónica Learning Services, S.L. *Vertical e-learning portal*	Spain	EUR	1	100%	Terra Networks Asociadas, S.L. (100%)
Telefónica Ingeniería de Seguridad, S.A.U. *Security services and systems*	Spain	EUR	1	100%	Telefónica, S.A. (100%)
Telefónica Engenharia de Segurança *Security services and systems*	Brazil	BRL	21	99.99%	Telefónica Ingeniería de Seguridad, S.A. (99.99%)
Telefónica Capital, S.A.U. *Finance company*	Spain	EUR	7	100%	Telefónica, S.A. (100%)
Lotca Servicios Integrales, S.L. *Aircraft ownership and operation*	Spain	EUR	17	100%	Telefónica, S.A. (100%)
Fonditel Pensiones, Entidad Gestora de Fondos de Pensiones, S.A. *Administration of pension funds*	Spain	EUR	16	70.00%	Telefónica Capital, S.A. (70.00%)
Fonditel Gestión, Soc. Gestora de Instituciones de Inversión Colectiva, S.A. *Administration and representation of collective investment schemes*	Spain	EUR	2	100%	Telefónica Capital, S.A. (100%)
Telefónica Investigación y Desarrollo, S.A.U. *Telecommunications research activities and projects*	Spain	EUR	6	100%	Telefónica, S.A. (100%)
Telefónica Investigación y Desarrollo de México, S.A. de C.V. *Telecommunications research activities and projects*	Mexico	MXN	-	100%	Telefónica Investigación y Desarrollo, S.A. (100%)
Telefónica Pesquisa e Desenvolvimento do Brasil, Ltda. *Telecommunications research activities and projects*	Brazil	BRL	1	100%	Telefónica Investigación y Desarrollo, S.A. (100%)
Casiopea Reaseguradora, S.A. *Reinsurance*	Luxembourg	EUR	4	100%	Telefónica, S.A. (99.97%) Telefónica Finanzas, S.A. (TELFISA) (0.03%)
Pléyade Peninsular, Correduría de Seguros y Reaseguros del Grupo Telefónica, S.A. *Distribution, promotion or preparation of insurance contracts*	Spain	EUR	-	100%	Casiopea Reaseguradora, S.A. (83.33%) Telefónica, S.A. (16.67%)
Altair Assurances, S.A. *Direct insurance transactions*	Luxembourg	EUR	6	100%	Casiopea Reaseguradora, S.A. (95.00%) Seguros de Vida y Pensiones Antares, S.A. (5.00%)
Seguros de Vida y Pensiones Antares, S.A. *Life insurance, pensions and health insurance*	Spain	EUR	51	100%	Telefónica, S.A. (89.99%) Casiopea Reaseguradora, S.A. (10.01%)
Telefónica Finanzas, S.A.U. (TELFISA) *Integrated cash management, consulting and financial support for Group companies*	Spain	EUR	3	100%	Telefónica, S.A. (100%)
Fisatel Mexico, S.A. de C.V. *Integrated cash management, consulting and financial support for Group companies*	Mexico	MXN	5	100%	Telefónica, S.A. (100%)
Telfisa Global, B.V. *Integrated cash management, consulting and financial support for Group companies*	Netherlands	EUR	-	100%	Telefónica, S.A. (100%)
Telefónica Europe, B.V. *Fund raising in capital markets*	Netherlands	EUR	-	100%	Telefónica, S.A. (100%)
Telefónica Finance USA, L.L.C. *Financial intermediation*	United States	EUR	2,000	0.01%	Telefónica Europe, B.V. (0.01%)
Telefónica Emisiones, S.A.U. *Financial debt instrument issuer*	Spain	EUR	-	100%	Telefónica, S.A. (100%)
Spiral Investments, B.V. *Holding company*	Netherlands	EUR	39	100%	Telefónica Móviles España, S.A.U. (100%)
Solivella Investment, B.V. *Holding company*	Netherlands	EUR	881	100%	Telefónica Móviles España, S.A.U. (100%)
Aliança Atlântica Holding B.V. *Holder of 5,225,000 Portugal Telecom, S.A. shares*	Netherlands	EUR	-	93.99%	Telefónica, S.A. (50.00%) Telecomunicações de São Paulo, S.A. - TELESP (43.99%)
Telefónica Gestión de Servicios Compartidos España, S.A. *Provision of management and administration services*	Spain	EUR	8	100%	Telefónica, S.A. (100%)
Telefónica Gestión de Servicios Compartidos, S.A.C. *Provision of management and administration services*	Argentina	ARS	-	99.99%	T. Gestión de Servicios Compartidos España, S.A. (95.00%) Telefónica, S.A. (4.99%)
Telefónica Gestión de Servicios Compartidos, S.A. *Provision of management and administration services*	Chile	CLP	1,017	97.89%	Compañía de Telecomunicaciones de Chile, S.A (97.89%)
Telefónica Gestión de Servicios Compartidos, S.A. *Provision of management and administration services*	Peru	PEN	1	100%	T. Gestión de Servicios Compartidos España, S.A. (100%)
Cobros Serviços de Gestao, Ltda. *Provision of management and administration services*	Brazil	BRL	-	99.33%	T. Gestión de Servicios Compartidos España, S.A. (99.33%)
Tempotel, Empresa de Trabajo Temporal, S.A. *Temporary employment agency*	Spain	EUR	-	100%	T. Gestión de Servicios Compartidos España, S.A. (100%)
Telefónica Gestao de Serviços Compartilhados do BRASIL, Ltda. *Provision of management and administration services*	Brazil	BRL	12	99.99%	T. Gestión de Servicios Compartidos España, S.A. (99.99%)
Telefónica Gestión de Servicios Compartidos Mexico, S.A. de C.V. *Provision of management and administration services*	Mexico	MXN	50	100%	T. Gestión de Servicios Compartidos España, S.A. (100%)
Telefónica Servicios Integrales de Distribución, S.A.U. *Distribution services provider*	Spain	EUR	2	100%	T. Gestión de Servicios Compartidos España, S.A. (100%)
Telefónica Compras Electrónicas, S.L. *Development and provision of information society services*	Spain	EUR	-	100%	T. Gestión de Servicios Compartidos España, S.A. (100%)
Companies accounted for using the equity method					
Telco S.p.A. *Holding company*	Italy	EUR	3,588	46.18%	Telefónica, S.A. (46.18%)

Telefónica

Name and corporate purpose	Country	Currency	Share capital	% Telefónica Group	Holding company
Telecom Italia S.p.A. *Holding company*	Italy	EUR	10,671	10.49%	Telco S.p.A. (10.49%)
Portugal Telecom, SGPS, S.A. *Holding company*	Portugal	EUR	27	9.86%	Telefónica, S.A. (8.51%) Telecomunicaçoes de Sao Paulo, S.A. - TELESP (0.79%) Aliança Atlântica Holding B.V. (0.56%)
Lycos Europe, N.V. *Internet portal*	Netherlands	EUR	3	32.10%	LE Holding Corporation (32.10%)
Telefónica Factoring Mexico, S.A. de C.V. SOFOM ENR *Factoring services provider*	Mexico	MXN	33	50%	Telefónica, S.A. (40.5%) Telefónica Factoring España, S.A. (9.50%)
Hispasat, S.A. *Operation of a satellite telecommunications system*	Spain	EUR	122	13.23%	Telefónica de Comunicaciones, S.A.U. (13.23%)
Telefónica Factoring España, S.A. *Factoring services provider*	Spain	EUR	5	50.00%	Telefónica, S.A. (50.00%)
Telefónica Factoring Do Brasil, Ltd *Factoring services provider*	Brazil	BRL	5	50.00%	Telefónica, S.A. (40.00%) Telefónica Factoring España, S.A. (10.00%)
Ipse 2000 S.p.A *Installation and operation of 3G wireless communications systems*	Italy	EUR	13	39.92%	Solivella Investment, B.V. (39.92%)
China Unicom (Hong Kong) Limited *Telecommunications service operator*	China	RMB	2,329	8.37%	Telefónica Internacional, S.A. (8.37%)

(*) Companies consolidated using proportionate consolidation.

Through these consolidated financial statements, O2 (Germany) GmbH & Co. OHG, complies with the provisions of Art. 264b HGB ["Handelsgesetzbuch": Germany code of commerce], and is exempt in accordance with the stipulations of Art. 264b HGB.

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