

TELEFONICA S A  
Form 6-K  
July 28, 2006

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 July, 2006

Commission File Number: 001-09531

**Telefonica, S.A.**

(Translation of registrant's name into English)

**Gran Vía, 28**

28013 Madrid, Spain

3491-459-3050

(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



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TELEFONICA M&VILES on the Spanish stock exchanges and of TELEFONICA M&VILES American depositary shares ("TELEFONICA M&VILES ADSs") on the New York Stock Exchange.

2.- Expected exchange date for TELEFONICA M&VILES shares and ADSs.

In accordance with the above, it is expected that on Monday, July 31, 2006, holders of TELEFONICA M&VILES shares that are beneficiaries of the exchange will receive the TELEFONICA shares delivered in the exchange, after the execution by IBERCLEAR of the settlements that are customary in these types of transactions. Furthermore, it is also expected that beginning on Monday, July 31, 2006, holders of TELEFONICA M&VILES ADSs that are beneficiaries of the exchange will receive the TELEFONICA American depositary shares ("TELEFONICA ADSs") delivered in the exchange.

3.- Acquisition Price of the odd-lots in TELEFONICA M&VILES shares or ADSs.

According to the procedure agreed by TELEFONICA and TELEFONICA M&VILES in order to facilitate the exchange by TELEFONICA M&VILES shareholders who hold of a number of TELEFONICA M&VILES shares that is not a multiple of five (5), we hereby inform that the acquisition price of the odd-lots, determined based on the arithmetic mean of the average weighted trading prices of TELEFONICA M&VILES shares on the Automated Quotation System [*Sistema de Interconexi#243n Burs#225til*] (Continuous Market) for the last three trading sessions for TELEFONICA M&VILES stock (July 26<sup>th</sup>, 27<sup>th</sup> and 28<sup>th</sup>, 2006), as stated in the resolution passed by the respective General Shareholders Meetings, is 10.54 euros per share.

Regarding the exchange of TELEFONICA M&VILES ADSs, fractional entitlements to TELEFONICA ADSs will be aggregated and the corresponding TELEFONICA ADSs will be sold on the New York Stock Exchange as promptly as practicable following July 31, 2006. The net cash proceeds of the sale of such TELEFONICA ADSs will be delivered to the surrendering holders of TELEFONICA M&VILES ADSs promptly following such sale, except in the case of TELEFONICA M&VILES ADSs represented by American depositary receipts ("ADRs"), in which case Holders of ADRs will need to surrender such ADRs prior to receipt of TELEFONICA ADSs and delivery of the net cash proceeds of the sale of TELEFONICA ADSs fractional entitlements (subject to all applicable escheatment laws in the United States).

Madrid, July 28<sup>th</sup> 2006

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.

**Telef#243nica, S.A.**

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Date: July 28<sup>th</sup>,  
2006

By: /s/ Ramiro S#225nchez de Ler#237n  
Garc#237a-Ovies

Name: Ramiro S#225nchez de  
Ler#237n Garc#237a- Ovies

Title: General Secretary and Secretary  
to the Board of Directors