

**TELEFONICA S.A. (TEF) - 3 FOR 1 STOCK SPLIT**

Ex - Distribution Date: 01/21/2011

DESCRIPTION:

The Options Clearing Corporation (OCC) has been advised that Telefonica S.A. (TEF) has announced a **3 for 1 stock split** payable to shareholders of record on Tuesday, January 28, 2011. The Payable Date is Thursday, January 20, 2011. **The Ex-distribution Date is Friday, January 21, 2011.**

Contract Adjustments:

Pursuant to the By-Laws of the Options Clearing Corporation ("OCC"), the below Telefonica S.A. options will be adjusted as follows.

Adjustment Date:	Friday, January 21, 2011
Option Symbol:	TEF remains the same
Underlying Security:	TEF remains the same
CUSIP:	879382208
Contract Multiplier:	3
Strike Prices:	Reduced by dividing the existing strikes by 3
New Multiplier:	100 (e.g. premium of 1.00 = \$100)
New Deliverable:	100 Telefonica S.A. (TEF) American Depositary Shares

GTC Order Cancellation:

On Thursday, January 20, 2011, immediately after the BOX close, all resting orders for TEF in the order book will be canceled by the BOX Market Operations Center. If a BOX Participant wishes to enter orders for the adjusted TEF series, the BOX Participant will need to reenter the orders before the open on Friday, January 21, 2011.

Additional Exchange Info:

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
TEF	C/P	55.00	01/22/2011	TEF	C/P	18.33	01/22/2011
TEF	C/P	60.00	01/22/2011	TEF	C/P	20.00	01/22/2011
TEF	C/P	65.00	01/22/2011	TEF	C/P	21.67	01/22/2011
TEF	C/P	70.00	01/22/2011	TEF	C/P	23.33	01/22/2011
TEF	C/P	75.00	01/22/2011	TEF	C/P	25.00	01/22/2011
TEF	C/P	80.00	01/22/2011	TEF	C/P	26.67	01/22/2011
TEF	C/P	55.00	02/19/2011	TEF	C/P	18.33	02/19/2011
TEF	C/P	60.00	02/19/2011	TEF	C/P	20.00	02/19/2011
TEF	C/P	65.00	02/19/2011	TEF	C/P	21.67	02/19/2011
TEF	C/P	70.00	02/19/2011	TEF	C/P	23.33	02/19/2011
TEF	C/P	75.00	02/19/2011	TEF	C/P	25.00	02/19/2011
TEF	C/P	80.00	02/19/2011	TEF	C/P	26.67	02/19/2011
TEF	C/P	35.00	03/19/2011	TEF	C/P	11.67	03/19/2011

Old Option Symbol	Old PutCall Code	Old Strike Price	Old Contract Date	New Option Symbol	New PutCall Code	New Strike Price	New Contract Date
TEF	C/P	40.00	03/19/2011	TEF	C/P	13.33	03/19/2011
TEF	C/P	45.00	03/19/2011	TEF	C/P	15.00	03/19/2011
TEF	C/P	50.00	03/19/2011	TEF	C/P	16.67	03/19/2011
TEF	C/P	55.00	03/19/2011	TEF	C/P	18.33	03/19/2011
TEF	C/P	60.00	03/19/2011	TEF	C/P	20.00	03/19/2011
TEF	C/P	65.00	03/19/2011	TEF	C/P	21.67	03/19/2011
TEF	C/P	70.00	03/19/2011	TEF	C/P	23.33	03/19/2011
TEF	C/P	75.00	03/19/2011	TEF	C/P	25.00	03/19/2011
TEF	C/P	80.00	03/19/2011	TEF	C/P	26.67	03/19/2011
TEF	C/P	85.00	03/19/2011	TEF	C/P	28.33	03/19/2011
TEF	C/P	90.00	03/19/2011	TEF	C/P	30.00	03/19/2011
TEF	C/P	95.00	03/19/2011	TEF	C/P	31.67	03/19/2011
TEF	C/P	35.00	06/18/2011	TEF	C/P	11.67	06/18/2011
TEF	C/P	40.00	06/18/2011	TEF	C/P	13.33	06/18/2011
TEF	C/P	45.00	06/18/2011	TEF	C/P	15.00	06/18/2011
TEF	C/P	50.00	06/18/2011	TEF	C/P	16.67	06/18/2011
TEF	C/P	55.00	06/18/2011	TEF	C/P	18.33	06/18/2011
TEF	C/P	60.00	06/18/2011	TEF	C/P	20.00	06/18/2011
TEF	C/P	65.00	06/18/2011	TEF	C/P	21.67	06/18/2011
TEF	C/P	70.00	06/18/2011	TEF	C/P	23.33	06/18/2011
TEF	C/P	75.00	06/18/2011	TEF	C/P	25.00	06/18/2011
TEF	C/P	80.00	06/18/2011	TEF	C/P	26.67	06/18/2011
TEF	C/P	85.00	06/18/2011	TEF	C/P	28.33	06/18/2011
TEF	C/P	90.00	06/18/2011	TEF	C/P	30.00	06/18/2011
TEF	C/P	95.00	06/18/2011	TEF	C/P	31.67	06/18/2011

Questions regarding this memo can be addressed to the BOX Market Operations Center at 617-235-2291 or toll free at 1-866-768-8845.