



**RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES**  
*General Secretary and  
Secretary to the Board of Directors*  
**TELEFÓNICA, S.A.**

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

### **SIGNIFICANT EVENT**

Telefónica O2 Germany GmbH & Co OHG (“Telefónica O2 Germany”) has been granted two blocks in the 800 MHz spectrum at the German frequency auction. Telefónica O2 Germany also secured one block of 2.0 GHz and four blocks of 2.6 GHz.

The total investment in new frequencies by Telefónica O<sub>2</sub> Germany is 1,378,605,000 Euros.

Madrid, May 20, 2010.

**SPANISH NATIONAL SECURITIES MARKET COMMISSION  
- MADRID-**