



RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES
*General Secretary and
Secretary of 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

The Board of Directors of TELEFÓNICA, S.A., has resolved to call the Annual General Shareholders' Meeting to be held in Madrid, at the Recinto Ferial de la Casa de Campo, Pabellón de Cristal, Avenida de Portugal, s/n, on **June 2, 2010, at 1:00 pm on first call**, or, in the event that the legally required quorum is not reached and therefore the Meeting cannot be held on first call, on **June 3, 2010, at 1:00 pm on second call**, at the same place.

The Agenda of the Annual General Shareholders' Meeting that has been approved in the aforesaid Board's meeting, is the following:

AGENDA

- I. Examination and approval, if applicable, of the Individual Annual Accounts, the Consolidated Financial Statements (Consolidated Annual Accounts) and the Management Report of Telefónica, S.A. and of its Consolidated Group of Companies, as well as of the proposed allocation of profits/losses of Telefónica, S.A. and the Management of its Board of Directors, all with respect to Fiscal Year 2009.
- II. Compensation of shareholders: Distribution of a dividend to be charged to Unrestricted Reserves
- III. Authorization for the acquisition of the Company's own shares, directly or through Companies of the Group.
- IV. Delegation to the Board of Directors of the power to issue debentures, bonds, notes and other fixed-income securities, be they simple, exchangeable and/or convertible, granting the Board, in the last case, the power to exclude the pre-emptive rights of shareholders, as well as the power to issue preferred shares and the power to guarantee issuances by the companies of the Group.
- V. Re-election of the Auditor for Fiscal Year 2010.



VI. Delegation of powers to formalize, interpret, correct and implement the resolutions adopted by the General Shareholders' Meeting.

Madrid, April 28th, 2010.

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