



**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 Stock Market Act (*Ley del Mercado de Valores*), hereby reports the following

### **SIGNIFICANT EVENT**

The Board of Directors of TELEFÓNICA, S.A. has approved to distribute an interim dividend from 2011 net income, of a gross amount of 0.75 euros for each Company share issued, in circulation, and carrying entitlement to this dividend.

The payment of this dividend shall be executed on May 6<sup>th</sup>, 2011 by Banco Bilbao Vizcaya Argentaria, S.A., through the participating entities in Iberclear (Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.), the Spanish entity in charge of registration, clearing and settlement of securities. Tax withholding shall be made on gross amounts as required by applicable legislation.

Additionally the Board of Directors will submit for approval of the Annual General Shareholders Meeting the distribution of a dividend with a charge to unrestricted reserves and to be paid in the second half of 2011, of a gross amount of 0.77 euros for each Company share issued, in circulation, and carrying entitlement to this dividend.

Madrid, April 15<sup>th</sup>, 2011

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