



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 unanimously 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, **at 1:00 pm on June 23rd, 2009, on second call**, if the legally required quorum is not reached and therefore the Meeting cannot be held on first call, on June 22nd, 2009 at the same time and 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 the proposed allocation of profits/losses of TELEFÓNICA, S.A. and the Management of its Board of Directors, all with respect to Fiscal Year 2008.
- II. Compensation of shareholders: Distribution of a dividend to be charged to Unrestricted Reserves
- III. Approval of an incentive TELEFÓNICA, S.A. 's share purchase plan for employees of the Telefónica Group.
- IV. Authorization for the acquisition of the Company's own shares, directly or through Companies of the Group.
- V. Reduction of the share capital through the cancellation of shares of the Company's own stock, excluding creditors' right to object, and amendment of the article of the By-Laws relating to the share capital.
- VI. Re-election of the Auditor for Fiscal Year 2009.



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

Madrid, May 18th, 2009.

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