



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

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

### **SIGNIFICANT EVENT**

On June 23, 2009, the Annual General Shareholders' Meeting of TELEFÓNICA approved an incentive TELEFÓNICA's share purchase plan ("Purchase Share Plan for Employees of the Telefónica Group" or "the Plan"), for employees and Executive Directors of the Telefónica Group at international level, including senior managers and other executive personnel.

Throughout the Plan, it is offered to the employees the possibility of acquiring shares of TELEFÓNICA with the commitment from the latter to deliver free of charge to the recipients who sign up for the Plan a certain number of additional shares in TELEFÓNICA, provided that certain requirements are met.

It is hereby attached as Annex the list of the beneficiaries of the first cycle of this Plan who are Directors and Executive Officers.

Madrid, September 17, 2010.

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

ANNEX**Communication of remuneration plans for Director or Executive Officers granted by listed companies**

*(Royal Decree 1362/2007, with regard to transparency requirements related to information of the issuers whose securities are admitted to trading on a secondary official market)*

**LIST OF DIRECTORS AND EXECUTIVE OFFICERS WHO ARE BENEFICIARIES OF THE PLAN****I.- Executive Directors.**

<u>First name and surname</u>	<u>Position in the Company</u>	<u>Number of shares received</u>	<u>Percentage of share capital</u>
Mr. César Alierta Izuel	Executive Chairman	5 shares	0.00 %
Mr. Julio Linares López	Chief Operating Officer	5 shares	0.00 %

**II.- Executive Officers.**

<u>First name and surname</u>	<u>Position in the Company</u>	<u>Number of shares received</u>	<u>Percentage of share capital</u>
Mr. Guillermo Ansaldo Lutz	Chairman of Telefónica Spain	5 shares	0.00 %
Mr. Matthew Key	Chairman of Telefónica Europe	5 shares	0.00 %
Mr. Ramiro Sánchez de Lerín García-Ovies	General Legal Secretary and of the Board of Directors	5 shares	0.00 %
Mr. Calixto Ríos Pérez	Internal Auditing Manager	5 shares	0.00 %