



**RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES**  
*Secretario General y  
del Consejo de Administración*  
**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**

Further to the information released on April 15th, 2011 and pursuant to the resolution adopted by the Board of Directors of TELEFÓNICA, S.A., the Company will pay on May 6th, 2011, an interim dividend from 2011 net income, of a fixed gross amount of 0.75 euro for each Company share issued, in circulation and carrying entitlement to this dividend. This payment will be made as follows, in all events subject to the provisions of the applicable tax legislation

Gross dividend (Euros per share)	Withholding tax rate (19%) (Euros per share)	Net dividend (Euros per share)
0.75	0.1425	0.6075

The payment of this dividend shall be executed from May 6th, 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 securities registrar, clearing and settlement company.

With this dividend and the one paid on November 2010, the Company has completed its commitment to distribute a dividend of 1.40 euro per share for 2010.

Madrid, April 29th, 2011

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