

TELEFONICA S A
Form 6-K
April 14, 2011

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**FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934
For the month of April, 2011
Commission File Number: 001-09531
Telefónica, S.A.**

(Translation of registrant's name into English)

**Distrito C, Ronda de la Comunicación s/n,
28050 Madrid, Spain
3491-482 85 48**

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:
Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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Grab the future today José María Álvarez-Pallete Chairman and Chief Executive Officer, Telefónica
Latinoamérica

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Sustaining market leadership Regional revenues share 1 Market revenue share Leader in value & growth
(Constant FX effect) FY10 Dec-10 #1 #1 29% 0 p.p. 29% Pe Ve #1 #1 35 % MBB 2 Ch Ur #1 #2
Regional access share 1 Ar Ec #1 #2 40% Br C A Brazil #2 #2 Co Mx 30 MM The largest mobile
contract base FY 2009 FY 2010 Stable #1 #2 Moving faster Revenue share In all markets Source:
Telefónica estimates 1 Footprint share: only mobile in Mexico, Venezuela, Ecuador, Uruguay and Central
America. Excluding TV in Argentina 2 Dongles 3

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Delivering profitable growth Accesses Revenue OIBDA Millions in billions in billions 184 14 26 +9.0%
+6.7% 169 +9.1% +6.5% 23 +5.3% 9 158 22 +10.1% 8 Dec 2008 Dec 2009 Dec 2010 FY 2008 FY
2009 FY 2010 FY 2008 FY 2009 FY 2010 44.5% 43.4% 39.9% FBB+MBB access growth 2010 vs. 2009
Mobile data rev. growth 2010 vs. 2009 OIBDA margin 2010 Source: Reported Data; organic growth rates
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Latin America in bold letters

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Latin America plays a key role in the new international arena MSCI 1 Latin America was Multilatinas are 31/Dec/2008 to the 2 nd major 31/Mar/2011 emerging as a new force destination of Chinese FDI, just behind Asia Latin America +123% North America +52% Asia-Pacific +51% Sovereign wealth US\$141 bn of FDI into funds from Middle East and Asia Europe +44% the region in 2010 investing more than ever in the region The market is starting to recognize this change 1 Morgan Stanley Composite Index 7

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Latin America is growth & stability Population Millions 559 565 552 Nobody's Backyard The rise of Latin America >70% 2008 2009 2010 GDP GDP 5.9 Investment Grade % 4.3 -1.8 Latin America in an Uneven Global Recovery: Managing Abundance Paris, January 24, 2011 2008 2009 2010 Source: IMF, Standard & Poors (Brazil, Colombia, Peru, Mexico, Panamá & Chile)

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200 m The population of Germany, France Middle Class and Italy as a whole population Young and 150
m The population of Russia Urban <14 years Addicted to 400 m Double since 2010 Internet Internet
users in 2015 Latin America time is NOW Source: ECLAC & Pyramid 10

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Latin America has reached a critical level of development GDP per capita GDP per capita US\$ ppp US\$
ppp 2010 12.000 11.000 > 11 10.000 US \$ thousand 9.000 X 2.2 8.000 7.000 6.000 5.000 4.000
Developing Asia Latam Income levels Income levels support new and way ahead of more intense other
emerging patterns of economies consumption Latin America time is NOW Source: IMF 11

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Telecom sector: thriving on regional growth Telecom market expected to grow faster Positive context for Telcos than GDP in Latin America CAGR Stable regulation, MTRs expected to follow 2010 - 2013E predictable glide path 7.7% Low and decreasing exposure to regulated prices 4.3% (mobile retail prices, FBB, MBB and bundles not regulated) Major spectrum auctions already done GDP ICT Market Consolidated competitive market structure Latin Latin America time is NOW America time is NOW Source: IMF & IDC 12

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Plenty of room to grow Latin American Market European Market = 100% Penetration 77% 100% Mobile voice MOU 1 79% 100% Voice and Smartphone data growing MBB penetration 25% 100% simultaneously FBB/ Fixed 62% 100% FBB accesses & TV Pay TV/ 47% 100% Households 1 Incoming and outgoing traffic Source: Yankee Group, Pyramid, Q4 2010 13

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Capturing current growth, building new options

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Capturing current growth, building new options Where? How?

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Capturing current growth, building new options Boosting the value of a complete offer Where? Growth of
Accelerating Building new traditional advanced businesses business connectivity

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An integrated and innovative complete offer An empiric case that shows the value of One of the few companies in the world with a an integrated offer complete offer supported on a mobile network Mobile Data Service Mobile ARPU Revenues FY 2010 vs. FY 2009 FY 2010 vs. FY 2009 +46.9% % organic 1 +26.3% % local currency Fixed Internet, Content Mobile Data and Pay TV Revenues Service Revenues FY 2010 vs. FY 2009 +10.0% FY 2010 vs. FY 2009 +47.4% % local currency % organic 1 Accelerating growth businesses Focusing on value 1 In local currency and excluding hyperinflation accounting in both years 17

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Driving mobile voice to the limit of its potential Targeting untapped Systematic up selling Key targets potential across segments Mobile voice market Penetration Caribú % population Project 110-115% 99% New commercial approach 2.8 millions of net to valuable young migrations to contract in customers through social FY2010 networks Dec-10 Dec-13E T. Latinoamérica Customer Mix _____ % contract / Total mobile accesses Young and Urban Potential of Middle Class ~30% 20% ISC 30 m improvements Savings in call center 1 The largest specially in contract base prepaid Dec-10 Dec-13E 1 Calls to call center: -28% mar 11 vs. aug 10

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Accelerating on mobile broadband Lowering entry barriers Enhancing our commercial offer Key targets
MBB accesses T. Latinoamérica millions Paquete NAVEGACIÓN 45-50 100 US\$ Smartphone to
Paquete boost REDES SOCIALES growth 8 Paquete MAIL+CHAT Dec-10 Dec-13E Paquete X3
Dongles Mobile data revenues CHAT non SMS/MMS One supplier T. Latinoamérica mobile data Quality
% Mobile service revenues revenues (m Paquete FX 2010) Time to market MAIL >33% Simple portfolio
23% X 3.3 1.3 millions X 3.5 Dongles sold since Q3 10 MBB accesses 2010 vs. 2009 in Colombia
Dec-10 Dec-13E 19

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Capturing the fixed opportunity Segmented development of Intensifying bundles Key targets multimedia and connectivity offer Bundling 1 FBB penetration %Traditional fixed accesses T. Latinoamérica ADSL UBB % BB accesses/ fixed lines 66% ~50% TV TV Basic Advanced 32% 38% Dec-06 Dec-10 Dec-10 Dec-13E Minimizing F2M revenues Develop a full offer for the No FBB access without cannibalization 200+33 m middle class valuable bundle (2P /3P) 1 % of fixed accesses with bundled voice plans 20

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Building new options Video OTT Financial Services Cloud Computing Terra TV Increased market
Banking the Leverage of Multimedia potential unbanked (70% Telefonica s services across of population
Global Network music, video and Profitability without savings information improvement account) Global
T-Cloud More value for Innovative value BB access propositions Services beyond connectivity revenues
FY 2010 5% Total T.Latinoamérica Revenues 21

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Capturing current growth, building new options Boosting the value of a complete offer >20% CAGR
10-13 E Where? Positive CAGR 10-13 E Growth of Accelerating Building new traditional advanced
businesses business connectivity 22

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Leveraging a non replicable platform Ensuring the Commercial Network infrastructure best basics Global
Enhancing with TIWS Terra unique assets 24

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Extracting value from our global model 7 Verticals Leveraging global scale Sharing best practices Video
& DH Quality and customer oriented projects Apps Network management Financial services ~ 290 m
accesses Fixed transformation initiatives eHealth Medianetworks and TIWS Key strategic capabilities
Security partnerships Device strategy M2M + 730 m combined customers Cloud

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TIWS allows us to manage traffic growth and to implement new technologies quicker and cheaper
Competitive advantages Unique Infrastructures SAM 1 Activated Capacity Economies Gbps 4,080 of
scale 2,440 1,770 1,320 Economies 1,000 of scope FY 2009 FY 2010 FY 2011E FY 2012E FY 2013E
Access to new markets Key Asset in the region 4th largest Terrestrial domestic networks submarine
Technological cable ring Satellite Infrastructure provides evolution extended coverage Global CDN 1
with local capillarity 1 Content Delivery Network 26

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Our brand attributes strengthen the value of a customer oriented strategy 1# or 2# Top of mind in every market

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Quality as the main driver for customer satisfaction What we said in What we have achieved so far
October 9th 2009 Consistent Delivery FCR 2 Billing claims · End to end process focus & % % COPC 1
methodology · FCR 2 focus & billing claims reduction -32% +11% Best Customer Experience · Unique
experience · Strong reduction of unsatisfied Customer Culture · Employee and customer Oct -09 Dec-10
Oct -09 Dec-10 program linked to customer experience Improving CSI Our customer oriented strategy
and quality management have been in every market a key factor in our commercial performance in every
market 1 COPC: Customer Operations Performance Center 2 FCR: First Call Resolution 28

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Business intelligence as a key driver to enhance customer focus Key initiatives Best in class churn FCR focus & billing Mobile Churn claims reduction FY 2010 % 2.4% 2.2% Seamless multichannel experience 3.4% Reference in Customer culture 2.7% customer satisfaction in main markets 2.8% 2.1% An integrated, customer focus, regional and flexible business intelligent project Telefónica Market Source: Global wireless matrix, Q4 2010, Merrill Lynch and Telefónica estimates 29

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Capturing current growth, building new options Increased Where? CapEx How? commitment to the region 30

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Committed to the opportunity We are investing to capture the growth High Speed FBB 1 MBB coverage/
T. Latinoamérica population % FBB accesses Fixed leveraged T. Latinoamérica by mobile % population
Mobile leveraged by fixed Increased ~20% ~80% CapEx 60% +20 p.p. commitment to the region x10 2%
Dec-10 Dec-13E Dec-10 Dec-13E 1 Equal or higher than 8 Mbps 31

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Our portfolio: leading Brazil, leveraging diversity

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Leveraging diversity FY 2010 1 Latam revenue Our key growth pool Brazil · Improving commercial momentum 48% · Capture synergies Mexico, strong bet on 3G as the key driver to recover North Region momentum 16% (7 countries) Venezuela, focus on value through a complete offer Complete and integrated offer South Region (6 countries) Lead introduction of new services in our networks 33% being the best provider of video and applications 1 Assumes 100% VIVO 33

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Mexico, refocusing our commercial approach and recover momentum Solid track record as an attacker
Challenging situation in 2010 OIBDA FY 2010 vs. FY 2009 in millions % Local Currency 564 420 179
-10 Revenues 5% FY 2006 FY 2007 FY 2008 FY 2009 OpCF in millions 313 OIBDA -1.7% 103 +6.5
p.p. -190 -51 market share 2010 vs. 2006 FY 2006 FY 2007 FY 2008 FY 2009 34

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A large growth potential The opportunity 11 th largest Mobile voice MBB population in _____ %
contract / Total Smartphone the World Penetration mobile accesses penetration Young & 100% 100%
100% Urban ~32 m <14 78% urban Internet Users 35 m Social Networking 76% penetration among <24
63% years Highest GDP 30% 21% per capita in the region Mexican Market European Market = 100%
Source: Yankee Group, Pyramid, Q4 2010, Economist Intelligence Unit, Universal McCann 35

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And the platform to build upon it Spectrum LD Backbone Customer satisfaction MHz Thousands Km
CSI Dec-10 552 ~ 20 8.71 352 ~ 5 Mobile 8.50 2009 2010 2009 2010 8.79 Prepay Q310 Signed dark
fiber 8.60 Spectrum acquisition consortium in June 2010 1,700-1,900 MHz Band 8.42 Contract Starting
point to capture 7.89 the MBB wave of growth Telefónica Main competitor

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Betting on 3G to kickstart the new wave of growth 3G coverage by socioeconomic segment Telefónica
MBB accesses % In millions 95% ~ 5.5 43% ABC+ 70% 27% 0.2 ABCD+ 60% 23% Dec-10 Dec-13E
Total population Dec-10 Dec-11E

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Brazil, a very large and rapidly growing market Top 10 telecom markets in the world Total Revenues
Telecom Market Brazil per 2010 revenue R\$ in billion Total market revenues CAGR FY06 FY10 120
+2% 116 113 109 +8% 105 101 +12% 92 +13% 87 80 -1% +3% 54 -6% -1% +17% 2006 07 08 09 10
11E 12E 13E 14E 2015E +12% Source: Pyramid 38

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Brazil, plenty of opportunities The opportunity Brazilian Market European Market = 100% Middle class
~100 m Penetration 80% 100% population Young & Mobile voice Urban MOU 1 54% 100% ~50 m <14
87% urban Internet Users Smartphone 80 m MBB 25% 100% penetration Leading penetration in Social
Networks FBB / STB 55% 100% FBB & TV GDP Growth Pay TV / 29% 100% Households 1 Incoming
and outgoing traffic Source: Yankee Group, Pyramid, Q4 2010 39

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Brazil, much more to come Mobile Voice Market MBB Market FBB & TV Market FY 2010-2013E FY
2010-2013E FY 2010-2013E Mobile Mobile Pay TV Penetration + 17 p.p. data users + 23 p.p.
Subscribers / + 5 p.p. % % Households % MOU 1 Smartphone FBB/STB Min + 3% penetration + 8 p.p.
% + 12 p.p. % 1 Incoming and outgoing traffic Source: Yankee Group, Pyramid, Q4 2010

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Telefónica in Brazil, clear leadership A leadership position 1 December 2010 Telefónica Access Market Share Vs. the main competitor Position 73% +49 p.p. #1 Fixed accesses 30% +4 p.p. #1 Mobile accesses 61% +28 p.p. #1 FBB accesses 14% -49 p.p. #3 Pay TV accesses 1 Share and position in fixed voice, FBB and TV Sao Paulo Source: Anatel and Telefónica estimates 41

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Telep, a strong fixed incumbent Best performance vs. peers in Latin America Customer satisfaction improvement Thousands of fixed accesses net adds, FY 2010 First company to offer >30 Mbps 39
Positive churn evolution -291 -1,268 Historical level of FBB net gain Source: Company data

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Vivo, the indisputable leader VIVO 2010 40% # 1 Top of mind #1 Customer Dongles (6 p.p. above
Market Share satisfaction competition) 35% Contract Market Share Leader in Leader in 3G population
coverage 30% coverage (over (x3 covered Market Share 25 m advantage) towns closest competitor)
Source: Anatel

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We are increasingly capturing growth opportunities TV accesses ~1.4 FBB accesses ~ 5.1 Millions
Millions 3.3 0.5 Dec 2010 Dec 2013E Dec 2010 Dec 2013E MBB accesses Mobile data revenues /
Millions Mobile service revenues >20 % >30% 19% 3.3 Dec 2010 Dec 2013E FY 2010 FY 2013E

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We are transforming our company Revenue Mix Services TEF Brazil beyond Access & Voice BB connectivity 82 % 15% 3 % FY 2010 68 % 25 % FY 2013E 7% Margin expansion Investments leveraging on of R\$24,300 m synergies until 2014 1 Figures for guidance assume constant FX (average FY 2010), excludes hyperinflationary accounting in Venezuela and changes in consolidation perimeter Voice and Access: Include fixed/mobile access & voice (SMS included), narrowband and mobile & fixed equipment revenues BB: MBB and FBB revenues Services Beyond Connectivity: Include content, digital services, ICT solutions and vertical units revenues 45

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We are going to capture a significant value Minimum Synergy targets On track Operating synergies NPV
Projects Launched Q4 10 Q1 11 in billions 0.2 Examples 0.5 / 0.6 2.3 /2.7 0.5 / 0.6 Interconnection
optimization 1.1 / 1.2 Topology and network common design 0.4 / 0.5 (voice and IP core) Revenues
G&A & OpEx CapEx Integration Total Unifying Internet access commercial costs operating costs
Network & IT synergies IT vendor management Revenue Up sell & cross sell for ~ 20% MCN 's,
corporate and SOHO common customers 2.3/ 3-4 years to fully exploit 2.7bn Savings from year 1 OpEx
CapEx ~60% ~ 20%

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Brazil, a country of opportunities

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Telefónica Latinoamérica Championing growth Accelerating investment Leading Brazil

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Telefónica

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Telefónica, S.A.

Date: April 14th, 2011

By: /s/ Ramiro Sánchez de Lerín García-Ovies

Name: Ramiro Sánchez de Lerín
García-Ovies

Title: General Secretary and Secretary to
the Board of Directors