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TELEFÓNICA AND PALM ANNOUNCE PALM PRE® EXCLUSIVE IN EUROPE

Palm Pre to Launch With O2 & Movistar In Spain, UK, Germany, Ireland

Madrid, July 7th 2009 - Telefónica and Palm, Inc. today announced an exclusive agreement to sell the Palm® Pre™ phone in Spain, United Kingdom, Ireland and Germany when the device is launched in Europe in time for Christmas this year.

“Telefónica is fast becoming the home of the smartphone with the addition of the hotly-anticipated Palm Pre to our already extensive portfolio,” said Mathew Key, Chairman at Telefónica Europe. “Our customers will be the first outside of North America to experience one of the most talked about mobile devices of the year.”

“Since we first showed Pre in Europe at Mobile World Congress last February, there’s been a great deal of anticipation for an announcement about European availability; that day is here,” said Dave Whalen, senior vice president, Global Sales, Palm, Inc. “Europe continues to be an important region for Palm, and we’re proud to work with O2 and Movistar to spread the excitement Pre has already ignited in North America.”

Pre, the first phone based on the new Palm webOS™ mobile platform, brings your information from the many places it resides – on your phone, at work or on the web – into one simple, integrated view.

Pre has a breakthrough user interface and hardware design that makes it one of the most integrated and user-friendly mobile phone on the market. Featuring a smooth, rounded ergonomic design and a physical keyboard that slides out only when needed, Pre is engineered to feel natural in your hand and comfortably small in your pocket. When closed, Pre is ideal for phone calls, web browsing, music, photos and videos; when open, Pre is optimized for email and text messaging. It provides an exceptional experience for phone calls, whether held to your ear, over speakerphone or via Bluetooth.

Customers who would like to register to receive additional information about Pre and be notified when it’s available can register at:

- UK: <http://www.palm.com/uk-pre-notify>
- Germany: <http://www.palm.com/de-pre-notify>
- Spain: <http://www.palm.com/es-pre-notify>

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About Telefonica

Telefonica is one of the world's largest telecommunications operators by market capitalisation. Its activities are centred mainly on the fixed and mobile telephony businesses, while its broadband business is the key growth driver underpinning both. It operates in 25 countries and has a global customer base of 260 million. Telefonica's growth strategy is focused on the markets in which it has a strong foothold: Spain, Europe and Latin America. Telefonica is a 100% private sector company with its shares listed in Madrid and other stock exchanges and more than 1.5 million individual shareholders.

About Palm, Inc.

Palm, Inc. is a leading mobile products company, creating instinctive yet powerful mobile products that enable people to better manage their lives on the go. The company's products for consumers, mobile professionals and businesses include Palm® Treo™, Pre™ and Centro™ phones, as well as software, services and accessories.

Palm products are sold through select Internet, retail, reseller and wireless operator channels throughout the world, and at Palm online stores (<http://www.palm.com/store>).

More information about Palm, Inc. is available at <http://www.palm.com>.

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NOTE TO EDITORS: Multimedia materials, including photos and video, are available at www.palm.com/MeetPre.

Please add the tag #Palm#Pre to your tweets or "PalmPre" to your blog posts about the Palm Pre phone, and follow Palm on Twitter at www.twitter.com/palm.

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