



RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES
*General Secretary and
Secretary to 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

Telefónica de Contenidos, S.A.U., a wholly-owned company by Telefónica, S.A., has reached an agreement today with Abertis Telecom, S.A. to sell the 13.23% stake of Hispasat S.A. owned by Telefónica de Contenidos, S.A.U.

The transaction amounts to 124 million Euros, and Telefónica de Contenidos, S.A.U. will receive such amount in cash upon the closing of the transaction. The closing is subject, among other conditions, to the approval of the Council of Ministers.

Madrid, February 21st, 2012

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