



**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**

Following the Significant Event published on November 5th, 2013, (under registration number 194845) in relation to the agreement reached between Telefonía S.A. (hereinafter Telefonía) and PPF Group N.V., for the sale by Telefonía of a 65.9% stake of Telefonía Czech Republic, a.s., Telefonía announces that after obtaining the relevant regulatory approval the transaction has been completed.

As indicated in the aforementioned Significant Event, after the transaction, Telefonía holds a 4.9% stake in Telefonía Czech Republic, a.s.. Additionally, Telefonía will remain as its industrial and commercial partner for the next four years.

This transaction is part of Telefonía's strategy to focus its business on its core markets and optimize its financial flexibility, which has allowed the reduction in net debt during each quarter of 2013. With this transaction, Telefonía meets its debt reduction and leverage ratio targets for 2013.

Madrid, January 28<sup>th</sup>, 2014

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