



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

In relation to the Significant Event filed on May 6, 2014, (under registration number 204783), and after the due process of negotiation, Telefónica hereby informs that its subsidiary Telefónica de Contenidos, S.A.U. has today formalized a purchase agreement with Promotora de Informaciones, S. A. (PRISA) for all the shares of Distribuidora de Televisión Digital, S.A. (DTS) owned by PRISA, and representing 56% of the share capital of DTS. The finally agreed price amounts to 750 million euros, subject to customary adjustments at closing.

The closing of this purchase agreement is subject to obtaining the relevant authorization of the competition authorities and to the approval of a representative panel of the banks financing PRISA.

Madrid, June 2, 2014.

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