



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 announces that has submitted a binding offer for the acquisition of 22% of the share capital of Distribuidora de Televisión Digital, SA (DTS) owned by Mediaset España Comunicación, S.A. (MEDIASET) for an amount of EUR 295 million.

Additionally, Mediaset would be entitled to receive an amount of EUR 10 million in the event that Telefónica closes the acquisition of the 56% stake of DTS held by Promotora de Informaciones, S.A. (PRISA), and, in that case, an amount of up to EUR 20 million depending on the evolution of the pay-TV customers in Spain of the Telefónica Group during the 4 years following the closing of the acquisition by Telefónica of the 56% stake of DTS held by PRISA.

In case of acceptance of the offer, Mediaset would waive its pre-emptive right relating to the sale to Telefónica of the stake in DTS held by PRISA, receiving as consideration for such waiver an amount of EUR 30 million, in addition to the aforementioned amounts.

This offer is subject to the fulfilment of the customary conditions in this type of transactions.

Madrid, June 18, 2014.

SPANISH NATIONAL SECURITIES MARKET COMMISSION
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