



TELEFÓNICA, S.A. ("Telefónica" or the "Company") as provided in article 228 of the Spanish Stock Market Act (*Ley del Mercado de Valores*), hereby reports the following

SIGNIFICANT EVENT

Please see attached press release.

Madrid, June 25, 2018

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

NOTA DE PRENSA

PRESS RELEASE

TELEFÓNICA WINS RIGHTS FOR LA LIGA FOOTBALL LEAGUE FOR SEASONS 2019-2022

- **The annual net cost of the rights is more than 5% lower compared to the last season of the previous cycle**

Madrid, 25th June 2018.- Telefónica has been provisionally declared winner of the tender to acquire the rights to broadcast all the paid LFP matches in the residential market for the 2019-2022 cycle (packages 4 and 5). The award was made at an identical price for each of the three seasons (980 million euros), which equates to a slight deflation versus the last season of the 2016-2019 cycle.

The direct award to Telefónica of these rights for the new cycle gives the operator the power to decide, design and develop the content, which will carry the Movistar label as of the 2019-2020 season.

The net cost of the rights implies an even higher deflation of more than 5%. Other operators will share in the savings and the concrete impact on each one will depend on the number of them that rent the channels that Movistar will put on sale.

Telefónica has always defended that the LFP matches are a very attractive content, but that its acquisition had to be carried out at the appropriate price. The offer made by the company meets these parameters.

Thanks to these rights, Telefónica will continue to count on the widest content offer for the coming years and, in addition, it has reinforced the control over the content that is broadcast on its platform. Telefonica's technological capabilities will allow the company to introduce new improvements to the product in order to increase its appeal to fans.

The LFP matches come on top of a varied and attractive offer in sports, with exclusive content in basketball (Liga Endesa, Euroleague and NBA), motor (F1 and Moto GP), the main tennis tournaments in the world, the major golf tournaments and the main rugby or handball competitions, among many others.

Telefónica also has an extensive catalogue of films, series and own production programs that make up an attractive offer that will continue to be reinforced in the coming months.