TELEFÓNICA S.A. pursuant to article 82 of the Spanish Securities Market Act (Ley del Mercado de Valores), hereby reports the following

**SIGNIFICANT EVENT**

Telefónica S.A. informs that today, Thursday 26 March, 2015, at 16.00 hours CET, a presentation will be held, via webcast, for analysts and investors in relation to the rights issue announced yesterday, 25 March 2015, by means of the Significant Event registered under number 220679.

The presentation may be followed by any interested person through the corporate website of Telefónica ([www.telefónica.com](http://www.telefónica.com)).

Furthermore, to participate in the Q&A session, please dial:

From Spain: +34 91 375 3083
From the United States: +1 646 254 3371
From the U.K. and other countries: +44 (0) 203 427 19 27

Conference Code: 3937258

The presentation to analysts and investors shall be made public before its start, by means of its communication to the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores) and its broadcast in the corporate website of Telefónica ([www.telefónica.com](http://www.telefónica.com)).

In conjunction with the share capital increase and offering, Banco Santander, BBVA, CaixaBank, J.P. Morgan, Morgan Stanley and UBS Investment Bank are acting as joint global coordinators, along with BoFA Merrill Lynch, Barclays, BNP PARIBAS, Citigroup, HSBC and Société Générale Corporate & Investment Banking as joint bookrunners. In addition, the banking syndicate includes Banca IMI, Banco Sabadell, COMMERZBANK, Crédit Agricole CIB, Credit Suisse, Fidentiis Equities, Mitsubishi UFJ Securities International, Nomura and UniCredit Bank as co-lead managers.

Madrid, 26 March, 2015

**SPANISH NATIONAL SECURITIES MARKET COMMISSION**
- **MADRID** -
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Telefónica, S.A. has filed a registration statement (including a prospectus), and expects to file later today a prospectus supplement with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents Telefónica, S.A. has filed with the SEC for more complete information about Telefónica, S.A. and this offering. You may get these documents for free by visiting the SEC web site at www.sec.gov.

This announcement is not a prospectus but an advertisement and investors should not subscribe for any securities referred to in this announcement except on the basis of the information contained in the prospectus.

The authorization to make a public offer of the New Shares in the Republic of Argentina has been requested to the Argentinean National Securities Commission (Comisión Nacional de Valores) (“CNV”) on 11 March 2015, in compliance with the applicable laws and, for the time being, it has not been yet granted. This document is not an offer to sale nor an invitation to conduct an offer to buy, and no purchases or sales of the transferable securities referred to herein may be carried out until the public offer has been authorized by the CNV.