



**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 S.A. has reached an agreement today with Corporación Multi Inversiones ("CMI"), to sell the 40% of Telefonica's stake in Guatemala, El Salvador, Nicaragua and Panama.

The transaction amounts to 500 million US dollars plus a variable amount of up to 72 million US dollars, according to the future evolution of the transferred assets. The abovementioned sale will be implemented through the creation of a joint venture in which Telefónica will contribute with all its assets in Guatemala, Panama, El Salvador and Nicaragua. Telefónica Group will maintain the control of these assets, and therefore the transaction will have no impact on the consolidated results, as it is a transaction with minority shareholders. The implied multiple for the total amount of the transaction means 6.5 times EBITDA 2012 of the companies involved in the transaction.

The closing of the transaction is subject, among other conditions, to obtaining of the required regulatory approvals.

CMI is a leading regional corporation with a diversified portfolio of businesses and a high knowledge degree in the markets where it is present. Through this agreement, both companies will be able to develop a new business model which takes advantage of Telefónica's global presence and CMI's local specialization.

This transaction is part of the proactive management policy of the asset portfolio of the Company, and of the initiatives to increase the financial flexibility of Telefónica.

Madrid, April 30, 2013

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