

Telefónica Europe B.V.
GBP 600,000,000 Undated 7 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate
Reset Securities (of which GBP 43,300,000 in aggregate principal amount is currently
outstanding) (the "Securities")
(ISIN: XS0997326441)
unconditionally and irrevocably guaranteed on a subordinated basis by Telefónica, S.A.

Redemption following a Substantial Purchase Event

Telefónica Europe B.V. (the "**Issuer**") hereby announces that, on 12 March 2020, it will exercise its Issuer call option pursuant to Condition 6(f) (*Redemption and Purchase – Redemption following a Substantial Purchase Event*) of the Securities and redeem all of the outstanding Securities.

Following the purchase by the Issuer of GBP 128,200,000 in aggregate principal amount of the Securities on 6 February 2020, GBP 43,300,000 in aggregate principal amount of the Securities remain outstanding as at the date of this announcement (which constitutes 7.22 per cent. of the aggregate principal amount of the Securities originally issued).

The outstanding Securities will be redeemed, in whole, at their aggregate principal amount together with any accrued interest.

Following such redemption, a request will be made for the cancellation of the listing of the Securities on the Official List and admission to trading of the Securities on the regulated market of The Irish Stock Exchange plc, trading as Euronext Dublin.

Terms used in this Notice, but not defined herein, shall have the meaning given to such terms in the terms and conditions of the Securities.

This announcement relates to the disclosure of information that qualified or may have qualified as inside information within the meaning of article 7(1) of the market abuse regulation (EU) 596/2014 ("MAR"). For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Carlos David Maroto Sobrado and Maria Christina van der Sluijs-Plantz of Telefónica Europe B.V.

Date: 11 February 2020

Telefónica Europe B.V.