



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 Stock Market Act (*Ley del Mercado de Valores*), hereby reports the following

SIGNIFICANT EVENT

Today, TELEFÓNICA, S.A., through its wholly- owned subsidiary TELEFÓNICA EMISIONES, S.A.U., under its Guaranteed Euro Medium Term Note Programme (EMTN Programme) filed with the Financial Services Authority (FSA) in London on June 12th, 2012, has made a reopening issuance of the 750 million euro senior 5.811% Telefónica Emisiones, S.A.U. due on September 5th, 2017 for 250 million euro, reaching an aggregate notional amount of 1,000 million euros.

The reopening placement is due on September 5th, 2017, pay an annual coupon of 5.811% and have a reoffer price of 103.704%. Settlement and closing date is scheduled for execution on September 19th, 2012.

Madrid, September 7th, 2012

"This announcement is neither an offer to sell nor a solicitation of an offer to buy any of the securities referred to herein and shall not constitute an offer, solicitation nor sale in any jurisdiction in which such offer, solicitation or sale is unlawful -including but not limited to the United States, Australia, Canada or Japan-.

The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or pursuant to an exemption from the registration requirements of the Securities Act and in accordance with applicable state securities laws."