**RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES**
*General Secretary and*
*Secretary to the Board of Directors*
**TELEFÓNICA, S.A.**

Registro Mercantil Provincia de Madrid, Hoja M-6164, Folio 21, Tomo 12.534, Inscripción 1359ª, del Libro de Sociedades, CIF. A-28/015865 Sede Social Gran Vía 28, 28013 Madrid.

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) has launched an issue of notes guaranteed by TELEFÓNICA, S.A. in an aggregate principal amount of 400 million Swiss francs.

This issue entails two tranches. The first tranche, six-year notes in an aggregate principal amount of 250 million Swiss francs, due on December 14, 2018, with coupon of 2.718% payable annually, issued at par (100%). The second tranche, ten-year notes in an aggregate principal amount of 150 million Swiss francs, due on December 14, 2022, with an annual coupon of 3.450% payable annually, issued at par (100%).

The settlement and closing date is scheduled for execution on December 14th, 2012.

Madrid, November 20th, 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."*

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