



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

On February 21, 2012, a significant event was filed, reporting that Telefónica de Contenidos, S.A.U., a wholly-owned company by Telefónica, S.A., had reached an agreement with Abertis Telecom, S.A. to sell the stake of Hispasat S.A. owned by Telefónica de Contenidos, S.A.U.

Following the exercise of the preferential right of acquisition by the German company Eutelsat Services & Beteiligungem, GmbH, and after obtaining the necessary authorizations by the Council of Ministers on 28 December 2012, Telefónica de Contenidos, S.A.U., as of today:

- Has transferred to Abertis Telecom, SA 23,343 shares of Hispasat, S.A. for a total price of €68 million, which has been received in cash, and

- Has signed a contract with Eutelsat Services & Beteiligungem, GmbH for the sale of its remaining stake in Hispasat, SA, that is 19,359 shares of that entity, for a total price of €56 million, subject to approval of foreign investment, in accordance with Royal Decree 664/1999, of 23 April, on the Legal Regime of foreign investment (*Régimen Jurídico de las Inversiones Exteriores*).

The capital gain, for both transactions is estimated to amount to approximately €47 million.

Madrid, January 10th, 2013

SPANISH NATIONAL SECURITIES MARKET COMMISSION
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