



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

As a result of its participation in the spectrum auction conducted in the United Kingdom, Telefónica UK Limited (hereinafter O2 UK) has been granted two blocks of 10 Mhz in the 800 MHz spectrum band.

The total investment in new frequencies by O2 UK is 550,000,000 pounds sterling.

Madrid, February 20th, 2013.

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