



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 Telefonía, S.A. ("**Telefónica**"), through its wholly-owned subsidiary Telefonía 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 12, 2012, has launched an issue of Notes in the Euro market, guaranteed by Telefonía, amounting 1,000 million euro ("**The Notes**").

These Notes, due on March 26, 2021 pay an annual coupon of 3.961%, having fixed the issue price at 100% of its nominal value.

The settlement and closing date is scheduled for execution on March 27, 2013.

Barclays Bank plc ("**Barclays**") has announced today a tender offer to purchase notes from the below instruments according to the Barclays Tender Offer Memorandum dated March 14, 2013. Telefonía will exchange with Barclays any note purchased, through the aforementioned tender offer, for Notes issued on March 27, 2013.

Notes issued by Telefonía Emisiones, S.A.U guaranteed by Telefonía:

- Issue of 1,400,000,000 euro with a coupon of 3.406% and maturity date on March 24, 2015 (ISIN code XS0494547168).
- Issue of 1,000,000,000 euro with a coupon of 4.967% and maturity date on February 3, 2016 (ISIN code XS0696856847).
- Issue of 1,500,000,000 euro with a coupon of 5.496% and maturity date on April 1, 2016 (ISIN code XS0419264063).

Furthermore, Telefonía, also through its wholly-owned subsidiary Telefonía Emisiones, S.A.U., has submitted today a cash tender offer to the noteholders of its 500,000,000 sterling pound instrument, with a coupon of 5.888% and maturity date on January 31, 2014 (ISIN code XS0279928385). The settlement of this transaction is expected to take place on March 26, 2013, once the offer period set forth in the Telefonía Tender Offer Memorandum dated March 14, 2013 has expired.

Madrid, March 14, 2013.

Gran Vía, 28 - 9ª Planta - 28013 Madrid



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

DISCLAIMER

"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."