



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

Yesterday, TELEFÓNICA, S.A., through its wholly-owned subsidiary TELEFÓNICA EMISIONES, S.A.U., under its US Debt Registered Program filed with the United States Securities and Exchange Commission (SEC) on May 22, 2012, has launched an issue of Notes guaranteed by TELEFÓNICA, S.A. in an aggregate principal amount of 2,000 million US dollars.

This issue was split into two tranches. The first tranche, amounting up to 1,250 million US dollars, due on April 27, 2018, with a coupon of 3.192%, payable semi-annually, issued at par. The second tranche, amounting up to 750 million US dollar, due on April 27, 2023, with a coupon of 4.57%, payable semi-annually, issued at par.

The settlement date is scheduled to be on April 29, 2013.

Madrid, April 18, 2013

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