



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

In compliance with the conditions stated in the Prospectus for the Debentures Issue (ISIN code number ES0278430956), registered with the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores) on July 15 1999, the 300 debentures of the Issue will be redeemed in full on July 21 2014 through the repayment of the 252.51512% of their nominal value of Euros 100,000 each.

Madrid, July 2014

SPANISH NATIONAL SECURITIES MARKET COMMISSION
- MADRID -