



RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES
*General Secretary and
Secretary to the Board of Directors*
TELEFÓNICA, S.A.

TELEFÓNICA, S.A. (“Telefónica”), as provided in article 82 of the Spanish Securities Market Act (*Ley del Mercado de Valores*) hereby reports the following

SIGNIFICANT EVENT

Today, TELEFÓNICA has executed a syndicated facility agreement (“Facility Agreement”) with several domestic and international financial entities in an aggregate amount up to two thousand and five hundred (2,500) million euro.

This Facility Agreement is a five-year single tranche revolving credit facility with two extension options at the request of Telefonica, for a maximum maturity of 7 years, in an aggregate amount up to two thousand and five hundred (2,500) million euro.

This new facility is replacing an old revolving credit facility of up to two thousand and five hundred (2,500) million euro which was signed in 2012, with original maturity in March 2017.

At the same time, TELEFÓNICA has entered into an amendment of the syndicated facility agreement of up to three thousand (3,000) million euro, signed in February 2014, adapting downward the economic conditions and adding two extension options at the request of Telefonica for a maximum maturity of 7 years.

Madrid, 19 February 2015.

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