



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

TELEFÓNICA, S.A. (TELEFÓNICA), in accordance with the provisions of Article 228 of the Securities Market Act, hereby issues the following

**SIGNIFICANT EVENT**

See Press Release attached

Madrid, 29 March 2016.

# NOTA DE PRENSA

## PRESS RELEASE

Telefónica puts in place a smooth transition after almost 16 years of management by the current Executive Chairman, a period in which the company has become leader in its key strategic markets in Europe and Latin America.

### CÉSAR ALIERTA ENDS HIS TENURE AS EXECUTIVE CHAIRMAN OF TELEFONICA AND WILL PROPOSE THE APPOINTMENT OF JOSÉ MARÍA ÁLVAREZ-PALLETE TO THE BOARD OF DIRECTORS

- **Alierta will remain in the Board of Directors and maintain his position as Executive Chairman of Fundación Telefónica**
- **Álvarez-Pallete will step-in as Executive Chairman bringing huge experience and a long tracked-record of 17 years in Telefónica's top management positions, including over 3 years as Chief Operations Officer under Aliertas' presidency**

**Madrid, 29 March, 2016.-** Telefónica's Board of Directors will analyse the appointment of José María Álvarez-Pallete as the new Executive Chairman of the Company in its next meeting to be held on the 8th of April. The proposal has been made by the current Chief Executive, César Alierta, who considers Álvarez-Pallete as the best prepared executive to face the challenges arising from the digital revolution.

Alierta will remain in the Board of Directors of Telefónica, a position he holds since 4 years previous to his appointment as Executive Chairman, and will also put his focus on social projects aiming for progress, such as Digital Education, and on the Executive Chairmanship of Fundación Telefónica.

Under Alierta's tenure, Telefónica has moved from being a relevant player in the telecommunication sector in Spain and Latin America to becoming leader in its key strategic markets: Brazil, Germany, Spain and Latin America.

Alierta has placed Telefónica at the forefront of telecommunications globally. Under his management, the company stepped ahead of rivals and set the trend with

strategic decision making such as the amortization of the UMTS licenses or the creation of Telefonica Digital.

Over 3 years ago, in 2012, César Alierta designated José María Álvarez-Pallete as Chief Operating Officer, thus starting a process which will conclude on the 8th of April with Álvarez-Pallete appointment as the new Executive Chairman.

José María Álvarez-Pallete, was born in Madrid in 1963 and holds a degree in Economics from Complutense University of Madrid and from the Université Libre in Belgium. He completed the International Management Programme (IMP) at the IPADE and holds a diploma in Advanced Studies at the Complutense University of Madrid.

Álvarez-Pallete joined the Telefonica Group in February 1999 as CFO of Telefonica Internacional after having worked in CEMEX. Months later, he assumed the responsibility of the corporate finances as Telefonica's CFO.

With the arrival of Alierta to the presidency in 2000, Álvarez-Pallete remained CFO until 2002 when he was appointed Executive Chairman of Telefonica Internacional. After that he became Chairman of Telefonica Latinoamérica, a position he occupied until he was appointed Executive Chairman of Telefonica Europe in 2011. One year later he became Chief Operating Officer of Telefonica S.A. Álvarez-Pallete sits in the Board of Telefonica S.A. since July 2006.

With his long track-record in top executive positions at Telefonica and experience managing the day to day of all Operations from his current post as COO of the Company, Alierta considers Álvarez-Pallete as the best prepared executive to make a smooth transition and position Telefonica once again at the forefront, this time, of the digital sector.