



**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 228 of the Spanish Stock Market Act (*Ley del Mercado de Valores*), hereby reports the following

### **SIGNIFICANT EVENT**

Telefónica, S.A. announces that the 100% of the share capital of Televisión Federal, S.A., ("Telefé"), which was indirectly owned by Telefónica, S.A., has been sold today to Viacom International Inc.

The equity value of the transaction, received today, is 345 million US dollars (approximately 322 million euros). The pre-tax capital gain estimated amounts to, approximately, 205 million euros.

This operation is part of Telefónica Group's asset portfolio management policy, based on a strategy of value creation and strategic positioning. Likewise, it also complements the objective of organic debt reduction, in a growing cash flow scenario.

Madrid, November 15, 2016.

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