



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

TELEFÓNICA, S.A. (herein after "Telefónica") as provided in article 228 of the Spanish Stock Market Act (*Ley del Mercado de Valores*), hereby reports the following

SIGNIFICANT EVENT

Telefónica has received several offers for the acquisition of an equity stake in Telxius Telecom, S.A.U.

Telefónica is in the process of negotiating and analyzing the diverse alternatives presented.

Madrid, February 10, 2017

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