



TELEFÓNICA, S.A. ("Telefónica" or the "Company") in compliance with the Securities Market legislation, hereby communicates the following

INSIDE INFORMATION

In relation to the news published in the media today, Telefónica informs that, within the framework of its portfolio management policy, based on a strategy of value creation and strategic positioning, is currently negotiating the sale of its assets in Central America, which may result in a transaction, related to either all or some of those assets. No agreement has been reached to date.

Madrid, January 22, 2019

SPANISH NATIONAL SECURITIES MARKET COMMISSION

-MADRID-