



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

INSIDE INFORMATION

Telefónica has been notified an Execution Notice issued by the Agencia Estatal de Administración Tributaria in connection with the Tribunal Económico-Administrativo Central Resolution partially upholding the claims filed against the assessments pertaining 2008-2011 Corporate Income Tax Audit, as mentioned in the insider information statement dated January 23, 2019 (registered under number 274091), Said Notice orders a 702 million euro refund to Telefonica pertaining to overpayments made by the company in those tax years.

Telefonica is evaluating the available legal actions against this Notice, based among other reasons, on the lack of inclusion of delayed interests.

Madrid, March 15, 2019

SPANISH NATIONAL SECURITIES MARKET COMMISSION

-MADRID-