TELEFÓNICA, S.A., in compliance with the Securities Market legislation, hereby communicates the following

RELEVANT INFORMATION

Telefónica Europe B.V. (the "Issuer") invites today the holders of its outstanding:

(i) GBP 600,000,000 Undated 7 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (the "GBP Notes"),

(ii) EUR 625,000,000 Undated 8 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities (the "EUR Notes"),

(each a "Series" and together the "Notes") irrevocably guaranteed by Telefónica, S.A. (the "Guarantor"), to tender such Notes for purchase by the Issuer for cash (each such invitation an "Offer" and together the "Offers").

The Offers are being made on the terms and subject to the conditions contained in the tender offer memorandum dated 27 January 2020 (the "Tender Offer Memorandum") and are subject to the restrictions set out in the Tender Offer Memorandum. Capitalised terms used and not otherwise defined in this announcement have the meaning given in the Tender Offer Memorandum.

Summary of the Offers

<table>
<thead>
<tr>
<th>Description of Notes</th>
<th>ISIN</th>
<th>First Reset Date</th>
<th>Aggregate Principal Amount Outstanding</th>
<th>Purchase Price</th>
<th>Amount subject to the Offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>GBP 600,000,000 Undated 7 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities</td>
<td>XS0997326441</td>
<td>26/11/2020</td>
<td>GBP 171,500,000 (28.58% of the original nominal)</td>
<td>GBP 104,571 per GBP 100,000</td>
<td>Any and all</td>
</tr>
<tr>
<td>EUR 625,000,000 Undated 8 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities</td>
<td>XS0972588643</td>
<td>18/9/2021</td>
<td>EUR 292,700,000 (46.83% of the original nominal)</td>
<td>EUR 112,313 per EUR 100,000</td>
<td>Any and all</td>
</tr>
</tbody>
</table>

Current Coupon: 6.75% Current Coupon: 7.625%

The Offers commence on 27 January 2020 and will expire at 17:00 CET on 3 February 2020 (the "Expiration Deadline"), unless extended, re-opened, withdrawn or terminated at the sole discretion of the Issuer.
Purpose of the Offers

The purpose of the Offers is, amongst other things, to proactively manage the Issuer’s layer of hybrid capital. The Offers also provide Noteholders with the opportunity to switch into the New Notes ahead of upcoming first call dates.

New Financing Condition

The Issuer intends to issue new EUR denominated Undated 7.25 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities guaranteed by the Guarantor (the “New Notes”). Whether the Issuer will accept for purchase any Notes validly tendered in the Offers is subject, without limitation, to the settlement of the issue of the New Notes (the “New Financing Condition”).

Purchase Price

Subject to the applicable Minimum Denomination in respect of the relevant Series of Notes, the price payable per GBP 100,000 or EUR 100,000 (as applicable) in principal amount of the Notes (the “Purchase Price”) will be (a) in respect of the GBP Notes, GBP 104,571 per GBP 100,000 and (b) in respect of the EUR Notes, EUR 112,313 per EUR 100,000. In respect of any Notes accepted for purchase, the Issuer will also pay an amount equal to any accrued and unpaid interest on the relevant Notes from, and including, the relevant interest payment date for the Notes immediately preceding the Settlement Date up to, but excluding, the Settlement Date, which is expected to be no later than 6 February 2020.

Notes repurchased by the Issuer pursuant to the Offer may be cancelled. Notes which have not been validly tendered and accepted for purchase pursuant to the Offers will remain outstanding after the Settlement Date.

Amount subject to the Offer

The Issuer proposes to accept any and all of the Notes for purchase on the terms and conditions contained in the Tender Offer Memorandum.

Indicative Timetable
17:00 CET on 3 February 2020

Expiration Deadline
Deadline for receipt by the Tender Agent of all Tender Instructions in order for Noteholders to be able to participate in the Offers.

At or around 10:00 a.m. CET on 4 February 2020

Announcement of Result of Offers
Announcement of the Issuer’s decision whether to accept valid tenders of Notes for purchase pursuant to any or all of the Offers subject only to the satisfaction of the New Financing Condition and, if so accepted, details of the final aggregate principal amount of the Notes of each Series tendered pursuant to the Offers distributed by way of announcements on the relevant Notifying News Service(s), through the Clearing Systems and via the website of Euronext Dublin.

Expected to be on 6 February 2020

Settlement Date
Subject to satisfaction of the New Financing Condition, expected Settlement Date for the Offers. Payment of Purchase Consideration and Accrued Interest Payment in respect of the Offers.

Madrid, 27 January 2020

SPANISH NATIONAL SECURITIES MARKET COMMISSION
- MADRID –

None of the Offers, the Tender Offer Memorandum or this announcement constitute an offer of securities to the public under Regulation (EU) 2017/1129 of the European Parliament and of the Council or a tender offer in Spain under restated text of the Spanish Securities Market Act approved by Royal Legislative Decree 4/2015, of 23 October and under Royal Decree 1066/2007, of 27 July, all of them as amended, and any regulation issued thereunder. Accordingly, neither the Tender Offer Memorandum nor this announcement has been and will not be submitted for approval nor approved by the Spanish Securities Market Regulator (Comisión Nacional del Mercado de Valores).

Not for distribution in or into or to any person located or resident in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands, any state of the United States and the District of Columbia) (the “United States”) or to any U.S. person or into any other jurisdiction where it is unlawful to distribute this announcement.