



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

SIGNIFICANT EVENT

Further to the Significant Event released on April 11, 2014 (under registration number 203418) and pursuant to the resolution adopted by the Board of Directors, we hereby inform all shareholders that on May 7, 2014, the Company will pay an interim dividend from 2014 net income, of a fixed gross amount of 0.40 euro for each Company share issued, in circulation and carrying entitlement to this dividend (Record Date, Tuesday, May 6, 2014). This payment will be made as follows, in all events subject to the provisions of the applicable tax legislation

Gross Dividend <i>(Euros per share)</i>	Withholding tax rate (21%) <i>(Euros per share)</i>	Net Dividend <i>(Euros per share)</i>
0.40	0.084	0.316

The payment of this dividend shall be executed from May 7, 2014 by Banco Bilbao Vizcaya Argentaria, S.A., through the participating entities in Iberclear (*Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.*), the Spanish securities registrar, clearing and settlement company.

With this dividend and the one paid on November 2013, the Company has completed its commitment to distribute a dividend of 0.75 euro per share for 2013.

Madrid, April 25, 2014

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