

ANNOUNCEMENT

Standard and Poor's revised Telefónica's hybrid equity content back to intermediate

Madrid, 20 of November 2015.- Rating agency Standard & Poor's (S&P) has today announced that the equity content on Telefónica's outstanding hybrid bonds has been restored to "intermediate" (50%) from "minimal" (0%).

The re-establishment of the equity content follows from the Deed of Covenant, which Telefónica executed on November 18th 2015.

For more information please refer to the announcement dated November 19th 2015.

<http://www.telefonica.com/en/shareholders-investors/html/debt-ratings/announcements.shtml>