



**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 228 of the Spanish Securities Act (*Ley del Mercado de Valores*), hereby reports the following

### **SIGNIFICANT EVENT**

Today, Monday November 7, 2016 the credit rating agency Moody's Investors Service (Moody's) has published its decision to lower the long-term credit rating of Telefónica, S.A. from Baa2 to Baa3. At the same time, Moody's has lowered the short-term ratings to Prime-3 from Prime-2. The outlook on the ratings is stable.

Madrid, November 7, 2016.

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