



**RAMIRO SÁNCHEZ DE LERÍN GARCÍA-OVIES**  
*General Secretary and  
Secretary to the Board of Directors*  
**TELEFÓNICA, S.A.**

TELEFÓNICA, S.A. (herein after "Telefónica") as provided in article 228 of the Spanish Stock Market Act (*Ley del Mercado de Valores*), hereby reports the following

### **SIGNIFICANT EVENT**

Yesterday, TELEFÓNICA, S.A., through its wholly-owned subsidiary TELEFÓNICA EMISIONES, S.A.U., under its US Debt Registered Program filed with the United States Securities and Exchange Commission (SEC) on May 13, 2015, has launched an issue of Notes guaranteed by TELEFÓNICA, S.A. in an aggregate principal amount of 3,500 million US dollars.

This issue was split into two tranches. The first tranche, amounting up to 1,500 million US dollars, due on March 8, 2027, with a coupon of 4.103%, payable semi-annually, issued at par. The second tranche, amounting up to 2,000 million US dollar, due on March 8, 2047, with a coupon of 5.213%, payable semi-annually, issued at par.

The settlement date is scheduled to be on March 8, 2017.

Madrid, March 2, 2017

**SPANISH NATIONAL SECURITIES MARKET COMMISSION**