



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

### **SIGNIFICANT EVENT**

Further to the Significant Event published on October 27, 2016, where the dividend policy for 2016 and 2017 was established stating that the annual dividend would continue to be paid in two tranches (in the second quarter and in the fourth quarter), the Board of Directors of Telefonía, S.A. has decided to define the corresponding payment periods.

From now on, the dividend payment in the second quarter will take place in June, and the dividend payment in the fourth quarter will take place in December, in both cases on or before the third Friday of the corresponding month.

The Company announced that in the 2017 calendar year the dividend payment will amount to 0.40 euros per share in cash, payable in two tranches. Consequently, and according to the payment periods established today:

- the next cash dividend payment of 0.20 euros per share will be made on or before Friday June 16, 2017 (completing the commitment of paying 0.55 euros per share for year 2016), and
- the following cash dividend payment of 0.20 euros per share will be made on or before Friday December 15, 2017.

The adoption of the corresponding corporate resolutions will be proposed in due course, announcing the specific payment dates.

Madrid, March 29, 2017

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