



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

TELEFÓNICA, S.A. ("**Telefónica**"), 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 relevant event announced on 29 November 2017 (registered under number 258994) it is hereby announced that on the date hereof the Undated 5.5 Year Non-Call Deeply Subordinated Guaranteed Fixed Rate Reset Securities of TELEFÓNICA EUROPE B.V., with the subordinated guarantee of Telefónica, in a nominal amount of 1,000 million euros, have been issued and paid-up.

Madrid, 7 December 2017.

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



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This announcement is neither an offer to sell nor a solicitation of an offer to buy any of the securities referred to herein and shall not constitute an offer, solicitation nor sale in any jurisdiction in which such offer, solicitation or sale is unlawful - including but not limited to the United States, Australia, Canada or Japan.

*The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 ("**Securities Act**"), as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or pursuant to an exemption from the registration requirements of the Securities Act and in accordance with applicable state securities laws.*