



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

SIGNIFICANT EVENT

Following the significant event published on June 10, 2012, related to the Agreement between Telefónica, S.A. (through its 100% subsidiary, Telefónica Internacional, S.A.U. - hereinafter "Telefónica"-), and China United Network Communications Group Company Limited (through a 100% owned subsidiary), for the acquisition by this last company of 1,073,777,121 shares of China Unicom -Hong Kong- Limited, owned by Telefónica (equivalent to 4.56% of the share capital), the Company informs that, after obtaining the relevant regulatory authorizations, the transaction has been completed, having received Telefónica HK \$ 10,748 million (approximately € 1,142 million).

Madrid, 30th July 2012