



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

Within the framework of the proactive management of its asset portfolio and financial flexibility optimization, Telefonía, S.A., through its 100% subsidiary, Telefonía Internacional, S.A.U. (hereinafter "Telefonía"), has proceeded to the sale of 597,844,100 shares of China Unicom (Hong Kong) Limited ("China Unicom"), representing 2.5 % of the share capital of the company, by a block trade process, at a price of HK\$ 11.14 per share, for a total amount of HK\$ 6,660 million, approximately € 687 million at current exchange rates.

Telefónica maintains its commitment to the Strategic Alliance with China Unicom.

Madrid, November 10, 2014.

SPANISH NATIONAL SECURITIES MARKET COMMISSION
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