



NOTA DE PRENSA

PRESS RELEASE

CHINA UNICOM AND TELEFÓNICA CREATE A JOINT VENTURE PROVIDING PROFESSIONAL BIG DATA SERVICES

Madrid/Beijing, January 5th, 2016. China Unicom and Telefónica announce that they have established a joint venture called “Smart Steps Digital Technology Company Limited” to provide big data services in China, leveraging on China Unicom’s stable and extensive basic telecommunication network and rich market experience, as well as Telefónica’s mature technology in big data services such as Smart Steps.

The new company, to be managed with a market-oriented mechanism, has a 55/45 ownership participation by China Unicom and Telefónica. The joint venture will use “Smart Steps” technology to provide location based insights and other big data related services, in the safe and efficient production environment of China Unicom.

“Smart Steps” uses anonymised, aggregated and extrapolated network data, through highly automated processing and deep denoising, provides valuable location and movement insights in a fast manner. Smart Steps is widely regarded as a world-leading service, and has a proven track record of success in markets across Europe and Latin America for some years. It has advantages such as accuracy of location, standardization of products as well as scale application of use cases. While ensuring the highest level of customer data security, the product provides enterprises and institutions with tailor-made state-of-the-art big data insights and related services, satisfying the strategic, operational and marketing needs of its customers.

It is expected that Smart Steps services can be applied extensively in China in areas such as transportation construction and operations, urban planning, tourism management, public security, financial risk control, real estate and retail analysis, business consultancy insights and macro statistics. Smart Steps service will further improve China Unicom’s deployment in the big data market and enhance China Unicom’s market influence in this area. For Telefonica, the joint venture enables access to the tremendous potential of the big data market of China - the 2nd largest economy in the world, and for the first time extends its Smart Steps operations beyond the Telefonica global operational footprint.

Telefónica and China Unicom entered into a strategic alliance in 2009. Acting as a catalyst for both companies' digital transformation, the formation of the Joint Venture represents a significant step forward in the strategic alliance between both companies. The joint venture will contribute to the improvement of technology and service quality of big data products in China. The two companies will keep on enhancing their strategic alliance through more digital initiatives.

About Telefónica

Telefónica is one of the largest telecommunications companies in the world in terms of market capitalisation and number of customers. With its best in class mobile, fixed and broadband networks, and innovative portfolio of digital solutions, Telefónica is transforming itself into a 'Digital Telco', a company that will be even better placed to meet the needs of its customers and capture new revenue growth.

The company has a significant presence in 21 countries and a customer base of over 327 million accesses around the world. Telefónica has a strong presence in Spain, Europe and Latin America, where the company focuses an important part of its growth strategy.

Telefónica is a 100% listed company, with more than 1.5 million direct shareholders. Its share capital currently comprises 4.864.341. 251 ordinary shares traded on the Spanish Stock Market and on those in London, New York, Lima, and Buenos Aires.

About China Unicom

China United Network Communications Group Co.,Ltd ("China Unicom") was officially established on 6 January 2009 on the basis of the merger of former China Netcom and former China Unicom. It is the only Chinese telecom operator listed on the stock exchanges in New York, Hong Kong and Shanghai.

At present, the Company provides a full range of telecommunications services in China, including mobile broadband (WCDMA, LTE FDD, TD-LTE), fixed-line broadband, GSM, fixed-line local access, ICT, data communications and other related value-added services.

If you would like to know more about the Company, please visit www.chinaunicom.com