PRESS RELEASE

TELEFONICA PARTNERS WITH EQUINIX TO OFFER CONNECTIVITY TO CLOUD SERVICE PROVIDERS

- **Telefonica extends its offer to enterprises looking to adopt cloud services by offering secure connectivity to cloud service providers across three continents via the Equinix Cloud Exchange.**

November 20, 2014. Telefonica today announced that it will provide enterprises with dedicated connectivity to multiple cloud service providers through the Equinix Cloud Exchange™, an advanced interconnection solution that enables seamless, on-demand and direct access to multiple clouds and multiple networks inside Equinix International Business Exchange™ (IBX®) data centers.

Organizations are increasingly moving business IT infrastructure and applications to external data centers and cloud service providers to address the proliferation of data growth, streamline operations and reduce costs. Telefonica will support multinational companies in their digital transformation by helping them accelerate their Cloud and Hybrid computing solutions. In addition to its Telefonica Cloud offering, the company will facilitate highly secure access to major cloud application providers taking advantage of its global network.

Telefonica will offer this connectivity through its global IP MPLS network to Equinix's ecosystem of cloud service providers in select Equinix IBX data centers across North America, Europe and Asia-Pacific via the Equinix Cloud Exchange™ interconnection service.

Jose Luis Gamo, CEO Multinationals Business Unit of Telefonica Global Solutions, has commented that "by connecting Telefonica IP MPLS services to Equinix's Cloud Exchange, we are expanding our own cloud services offer giving our customers the ability to choose from the best combination of cloud infrastructure, platform and software service providers to ensure they can put the best possible hybrid cloud solution in place to meet their individual business needs."

Chris Sharp, VP of Cloud Innovation Equinix, said: "As enterprises' IT needs change, it's important for providers, such as Telefonica, to provide access to a broad choice of cloud service providers that best meet their evolving needs. By offering connectivity on the Equinix Cloud Exchange, Telefonica is enabling its enterprise customers multiple options for connectivity to the cloud in an easy-to-manage and secure environment."

Equinix Cloud Exchange is an advanced interconnection solution that enables seamless, on-demand and direct access to multiple clouds and multiple networks inside Equinix IBX data centers. By bringing together cloud service providers with enterprises and enabling them to establish private, high-performance connections, the Equinix Cloud Exchange gives cloud users direct access to the services they need to build sophisticated hybrid cloud solutions.

Telefonica network services covers 170 countries providing a high degree of scalability, any to any, cost-effective, high performance connectivity that enables the convergence of voice, data and video applications and facilitates rapid growth in communication functionality for enterprises. With this agreement, Telefonica can leverage on Cloud Exchange Portal to simplify and automate the process of extending customers´ VPNs to Cloud Service Providers. This capability provides faster performance, better reliability, increased security and simplified deployment of cloud applications.

About Telefonica

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 more than 316 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 4.551.024.586 ordinary shares traded on the Spanish Stock Market (Madrid, Barcelona, Bilbao and Valencia) and on those in London, New York, Lima, and Buenos Aires.

Telefonica Global Solutions manages globally the multinational, wholesale and roaming business within the Telefonica Group. Global Solutions delivers integrated fixed, mobile and IT services to some of the world's top multinationals and corporations. It also provides global telecommunication services for fixed and mobile carriers, ISPs and content providers. Telefonica Global Solutions develops an integrated and competitive portfolio for carriers and corporations that include international voice, IP, bandwidth capacity, satellite services, mobility and global solutions, with service reach in more than 170 countries. Global Solutions is a multicultural organisation, with more than 1400 employees, working in over 40 countries and speaking more than 15 languages.

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