

An aerial photograph of a city, likely Prague, showing a large stadium with a circular roof, a railway line, and various urban buildings. A dark blue semi-transparent banner is overlaid on the top right of the image.

About Telefónica Group

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We celebrate 5 years
on the Czech market.

About Telefónica Group

01

Telefónica is one of the world's leading integrated operators in the telecommunications sector, a provider of communication, information and entertainment solutions with presence in Europe, Africa and Latin America. The group operates in 25 countries. As of December 2011, Telefónica's total number of customers was 307 millions. Telefónica's growth strategy is focused on the markets in which it has a strong foothold: Spain, Europe and Latin America.

The Group stands in sixth position in the Telco sector worldwide in terms of market capitalisation, in first among European integrated operators and in tenth position in the Eurostoxx 50 rankings, composed of Europe's blue chip companies (February 2011).

Telefónica is a 100% private company with more than 1.5 million direct shareholders. Its stock trades on the continuous market on the Spanish Stock Exchanges and on those in London, Tokyo, New York, Lima, Buenos Aires and São Paulo.

Telefónica has one of the most international profiles in the sector with more than 72% of its business outside its home market and a reference point in the Spanish and Portuguese speaking market.

In Latin America, Telefónica served more than 200 million customers as of the end of 2011, thus becoming the leading operator in Brazil, Argentina, Chile and Peru. The group also has substantial operations in Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Puerto Rico, Uruguay and Venezuela. In Europe, the group owns operating companies in Spain, the United Kingdom, Ireland, Germany, Czech Republic and Slovakia, providing services to 105 million customers as of the end of 2011.

Telefónica in figures

- 307 million accesses (105 million in Europe; 200 million in Latin America) (December 2011)
- Presence in 25 countries of the world (6 in Europe¹; 14 in Latin America²; the group is active in three other countries through its strategic alliances³)
- 291,000 employees (39% in Europe; 70% in Latin America; 1% in other countries) (December 2011)
- Revenues: EUR 62,837 mil. (2011)
- OIBDA: EUR 20,210 mil. (2011)
- Net profit: EUR 5,403 mil. (2011)
- The world's largest integrated telecommunications operator measured by number of accesses
- The largest integrated operator in Europe measured by market capitalisation
- Dow Jones Sustainability Index
- Among the world's 100 largest companies measured by market capitalisation
- Among the world's 75 largest companies measured by revenues (Fortune Global 500)

¹ Including Morocco

² Including the USA and Puerto Rico

³ China, Italy, Portugal

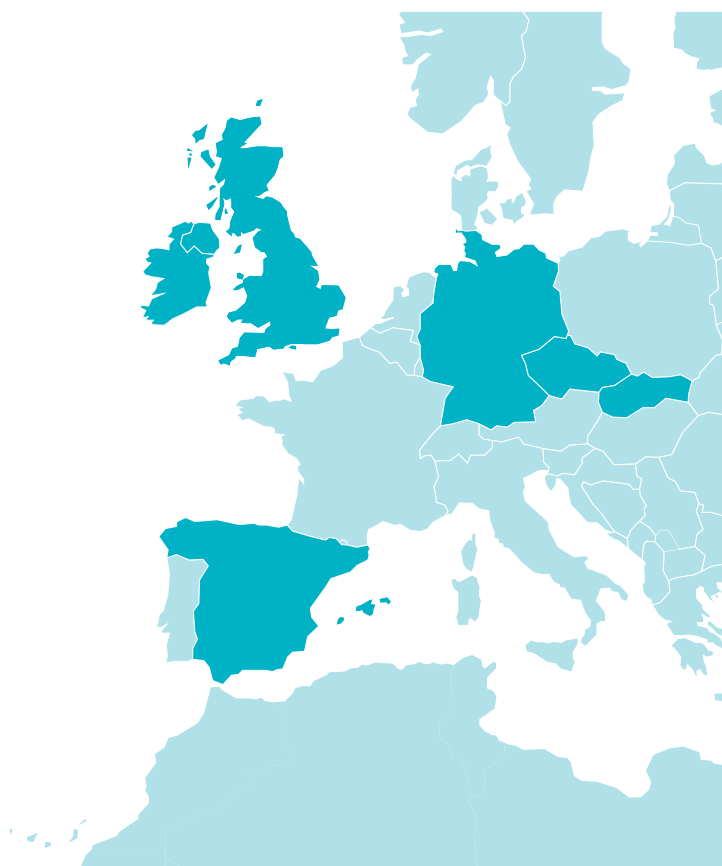
Telefónica – leader in the telecommunications market in Latin America



Argentina	
Number of accesses	23 mil.
Fixed line market	1.
Mobile market	2.
Brazil	
Number of accesses	87.2 mil.
Fixed line market	2.
Mobile market	1.
Central America	
Number of accesses	8.1 mil.
Fixed line market	–
Mobile market	3.
Colombia	
Number of accesses	13.8 mil.
Fixed line market	2.
Mobile market	2.
Chile	
Number of accesses	12.7 mil.
Fixed line market	1.
Mobile market	1.
Ecuador	
Number of accesses	4.5 mil.
Fixed line market	–
Mobile market	2.
Mexico	
Number of accesses	20.5 mil.
Fixed line market	–
Mobile market	2.
Peru	
Number of accesses	18.8 mil.
Fixed line market	1.
Mobile market	1.
Uruguay	
Number of accesses	1.8 mil.
Fixed line market	–
Mobile market	2.
Venezuela	
Number of accesses	10.4 mil.
Fixed line market	–
Mobile market	2.
Total number of accesses	201 mil.

* Data from December 2011
 Note: Central America includes Guatemala, Panama, El Salvador, Nicaragua and Costa Rica. The number of accesses includes a narrowband service provided by Terra Brasil and Terra Colombia and a broadband service provided by Terra Brasil, Telefónica de Argentina, Terra Guatemala and Terra México.

Telefónica – a strong player on the European market



Spain	
Number of accesses	47.1 mil.
Fixed line market	1.
Mobile market	1.
United Kingdom	
Number of accesses	23 mil.
Fixed line market	–
Mobile market	2.
Germany	
Number of accesses	24.5 mil.
Fixed line market	4.
Mobile market	4.
Ireland	
Number of accesses	1.6 mil.
Fixed line market	–
Mobile market	2.
Czech Republic	
Number of accesses	7.8 mil.
Fixed line market	1.
Mobile market	2.
Slovakia	
Number of accesses	1.2 mil.
Fixed line market	–
Mobile market	3.
Total number of accesses	105 mil.

* Data from December 2011

Telefónica was founded in 1924 in Spain and has grown global. Telefónica has a regional and integrated management model. The key to the company's structure lies in extending its client focus, leveraging its scale and in its strategic and industrial alliances.

The different operations of the Telefónica Group in 25 countries are organised into two geographical regions, Europe and Latin America, and the global business unit, Telefónica Digital.

Corporate Centre

Within this organisational structure, Telefónica's Corporate Centre is responsible for its global and organisational strategies, its corporate policies, management of common activities, and coordinating the activity of business units.

Telefónica Europe

Includes operations in Germany, Slovakia, Spain, Ireland, the UK and the Czech Republic.

Telefónica Latinoamérica

Includes operations in Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Peru, Uruguay and Venezuela.

Telefónica Digital

Telefónica Digital is a global business division of Telefónica. Its mission is to seize the opportunities within the digital world and deliver new growth for Telefónica through research & development, venture capital, global partnerships and digital services such as cloud computing, mobile advertising, M2M and eHealth. Telefónica Digital has 100% ownership of Jajah, Terra, Tuenti and giffgaff. It is headquartered in London with regional centres in Silicon Valley, São Paulo, Madrid, Barcelona and Tel Aviv.

Alliances and other shareholdings

Telefónica operates in China and Italy through shareholdings China Unicom and Telecom Italia.

Other companies

Atento offers customer relation management services through its contact centres. It operates in Spain, Argentina, Brazil, Central America, Chile, Colombia, the USA, Morocco, Mexico, Peru, Puerto Rico, the Czech Republic, Uruguay and Venezuela.

Integrated decentralised model of governance

It is Telefónica's goal to maximise the value of its activities at all levels – global, regional and local. The model of organisation puts the customer at the heart of the company's focus, sets out the role of innovation in revenue generation and in the transformation into a better-performing enterprise.

Local

Spain, Argentina, Brazil, Chile, Colombia, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Peru, Uruguay, Venezuela, Germany, Ireland, United Kingdom, Czech Republic, Slovakia

- Customer Experience Model
- Single Point of Sales Model
- Integrated Production Model

Regional

Telefónica Europe, Telefónica Latinoamérica, Telefónica España

- Support, governance, synergy

Global

Telefónica

- New Engaged Corporate Model
- Innovation
- Transformation

Group structure

Key Holdings of the Telefónica Group detailed by regional business units

Telefónica España	
Telefónica de España	100%
Telefónica Móviles España	100%
Telyco	100%
Telefónica Telecomunic. Públicas	100%
T. Soluciones de Informatica y Comunicaciones de España	100%
Acens Technologies	100%
Iberbanda	100%
Tuenti	91.4%

Telefónica Latinoamérica	
Telefónica Móviles Perú	100%
Telefónica de Argentina	100%
Telefónica Móviles Argentina	100%
Telefónica Móviles Chile	100%
Telefónica Móviles México	100%
Telefónica Móviles Guatemala	100%
Telefónica Venezolana	100%
Telefónica Móviles Colombia	100%
Otecel	100%
Telefónica Móviles Panamá	100%
Telefónica Móviles Uruguay	100%
Telefonía Celular Nicaragua	100%
Telefónica Costa Rica	100%
Telefónica Móviles El Salvador	99.2%
Telefónica del Perú	98.3%
Telefónica Chile	97.9%
Telefónica Brasil ¹	73.9%

¹ Includes 100% of Vivo

Telefónica Europe	
Telefónica United Kingdom	100%
Telefónica Germany	100%
Telefónica Ireland	100%
Be	100%
T. Intern. Wholesale Serv. (TIWS)	100%
Jajah	100%
Telefónica Czech Republic ¹	69.4%
Tesco Mobile	50%

¹ Includes 100% of Telefónica Slovakia

Other stakes	
Atento Group	100%
Telefónica de Contenidos (Spain)	100%
Telco SpA (Italy) ¹	46.2%
DTS, Distribuidora de Televisión Digital	22%
Hispasat	13.2%
Portugal Telecom ²	2%
China Unicom (Hong Kong) Limited (China)	9.6%
ZON Multimedia ³	5.3%
BBVA	1%
Amper	5.8%

¹ Through Telco, Telefónica holds an indirect stake in Telecom Italia of approximately 10.36% in ordinary shares (with voting rights). After discounting saving shares (azioni di risparmio), which do not confer control rights, the indirect interest of Telefónica in Telecom Italia was 7.15%.

² Real interest of the Telefónica Group. With minority shareholdings disregarded, Telefónica's interest would be in the range of 10%.

³ Telefónica's Group effective stake. Telefónica Group stake would be 5.46% if we exclude the minority interests.