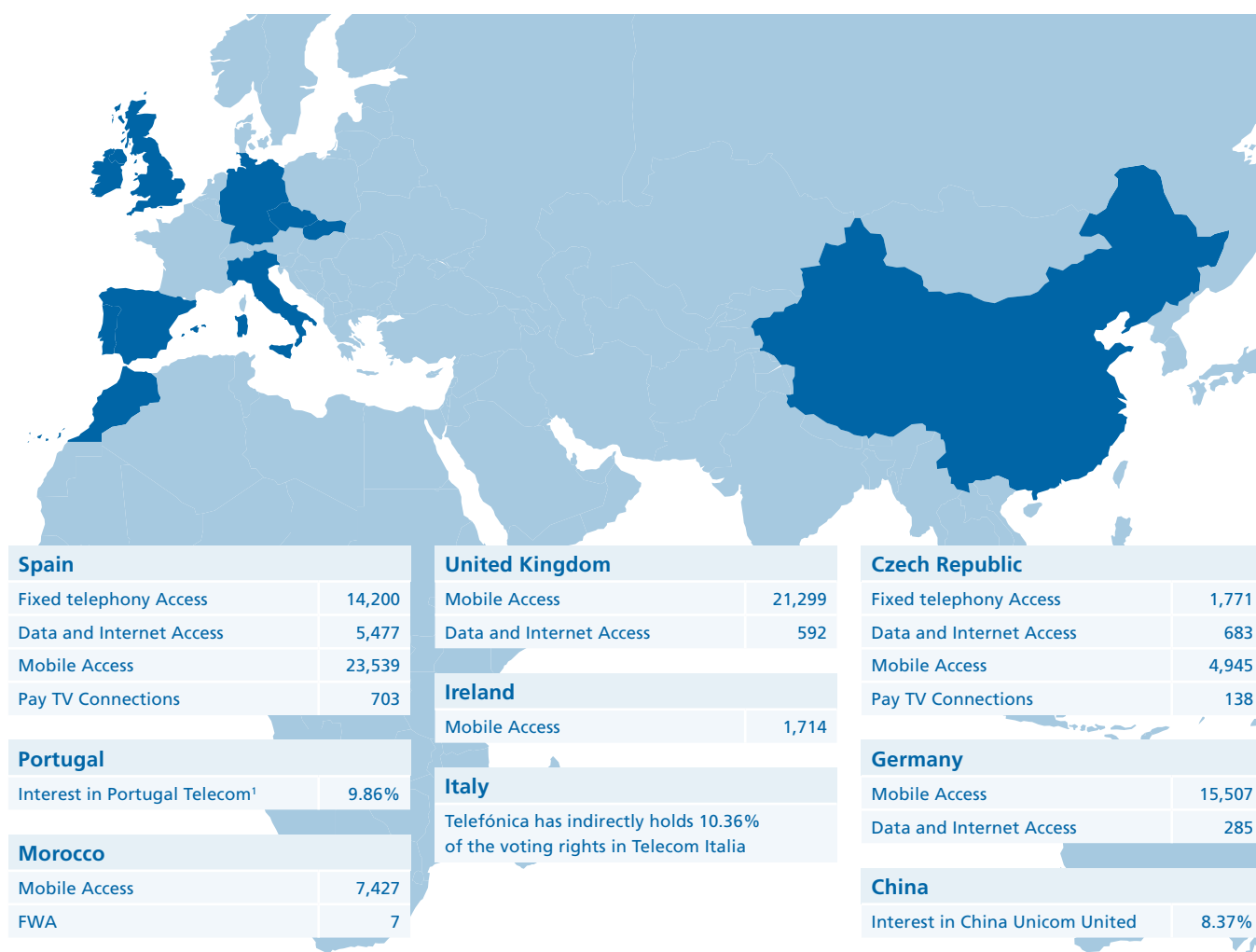


Telefónica in figures

- Presence in 25 countries
- More than 263 million customers
- 202 million mobile customers
- Over 40 million fixed accesses
- More than 13.5 million of high-speed internet connections
- 2.5 million of pay TV customers
- EUR 56.731 billion of revenues
- 64% of revenues generated in markets outside Spain
- More than 255,000 employees



* Data as at 31 December 2009

¹ Real interest of the Telefónica Group. With minority shareholdings disregarded, the actual ownership interest would be in the range of 10%.

Mexico	
Mobile Access	17,401
Fixed Wireless Access (FWA)	334

Central America	
Fixed telephony Access	445
Data and Internet Access	13
Mobile Access	5,807

Venezuela	
Mobile Access	10,531
FWA	1,214
Pay TV Connections	63

Columbia	
Fixed telephony Access	1,640
Data and Internet Access	420
Mobile Access	8,965
Pay TV Connections	127

Peru	
Fixed telephony Access	2,971
Data and Internet Access	768
Mobile Access	11,458
Pay TV Connections	686

Brazil	
Fixed telephony Access	11,254
Data and Internet Access	2,638
Mobile Access	51,744
Pay TV Connections	487

Uruguay	
Mobile Access	1,615

Argentina	
Fixed telephony Access	4,608
Data and Internet Access	1,238
Mobile Access	15,932

Chile	
Fixed telephony Access	2,028
Data and Internet Access	783
Mobile Access	7,525
Pay TV Connections	285



Corporate Centre

The Corporate Centre is responsible for the global and organisational strategy, corporate policies, management of joint activities and coordination of business unit operations. In 2008, the Corporate Centre reinforced its relationships with the organisation units by way of a reorganisation project, which gave rise to two organisation units dedicated to innovation and transformation, respectively; the units were established to give a stronger impetus to the drive for revenues and performance.

Telefónica España

Telefónica was founded in 1924 in Spain, however (since 2008), the home country is no longer the main market of the company. The company's main operations are in Latin America. Telefónica España is well appointed in all main market segments; it provides fixed telephony services (including pay TV), mobile and data services, broadband internet access, and has – via its subsidiary Meditel – investments in Morocco.

Telefónica Latinoamérica

Telefónica Latinoamérica has operations in 13 countries of Latin America – Argentina, Brazil, Chile, Ecuador, El Salvador, Guatemala, Colombia, Mexico, Nicaragua, Panama, Peru, Uruguay and Venezuela, where it provides the services of mobile and fixed telecommunications, internet access and pay TV. Additionally, Telefónica International Wholesale Services provides wholesale telecommunications services to a global standard. Its portfolio spans voice, data, IP, satellite, corporate and mobile services, and its optical network connects Latin America, United States and Europe. Telefónica is also actively pursuing ancillary business in Puerto Rico and in the United States.

Telefónica Europe

Telefónica O2 Europe plc changed its name to Telefónica Europe plc on 1 June 2008. The change came as an organic part of the integration process, two years after the company's integration in the group. The new corporate name structure follows the same pattern as in all the other regions – Telefónica España, Telefónica Latinoamérica and Telefónica Europe. With operations in the United Kingdom, Ireland, Germany, Czech Republic and Slovakia, Telefónica Europe provides the services of mobile and fixed telecommunications and broadband internet access.

On December 3, 2009, Telefónica's subsidiary in Germany, Telefónica Deutschland GmbH ("Telefónica Deutschland"), signed an agreement to acquire all of the shares of German company HanseNet Telekommunikation GmbH ("HanseNet"). On February 16, 2010, the Telefónica Group completed the acquisition of 100% of the shares of HanseNet.

Partnerships and other shareholding

Telefónica is present in China, Italy and Portugal, by means of shareholdings in China Unicom, Telecom Italia, and Portugal Telecom, respectively.

Other companies in the group

Atento offers the services of Customer Relationship Management via its network of contact centres. It has operating platforms in Spain, Argentina, Brazil, Chile, Colombia, United States, Morocco, Mexico, Peru, Puerto Rico, Czech Republic, Uruguay and Venezuela.

T-gestiona provides comprehensive administrative and financial support in the area of human resources, real property, logistics and distribution, consulting in the area of ERP processes and systems, and the services of a comprehensive back office. It operates in Spain, Argentina, Brazil, Chile and Peru.

Telefónica I+D is a research and innovation company in the field of technology. The volume of funds invested in innovation and development has made it the largest private research and development centre in Spain, and it is also the European leader in terms of participation in ICT research projects. It has operations in Spain, Brazil and Mexico.

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.

Integrated decentralised model of governance

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