🖺 🛛 TELEFÓNICA IN NUMBERS

Telefónica is one of the largest telecommunications companies in the world by market capitalization and number of customers providing a comprehensive offering and quality of connectivity that is delivered over world class fixed, mobile and broadband networks.

We run operations in 17 countries, split into two geographic regions: Europe and Latin America. We have 343 million customers, including 272 million mobile customers, nearly 11 million fiber and cable customers and more than 8 million pay TV customers. Telefónica employs 122,718 employees.

OUR BRANDS	Telefonica	M movistar	vivo	O ₂	
				- 2	

History_

Telefónica is the result of 94 year of anticipation at transformation	s Ent nd (CT	90 ers in Chile (C) and entina (TASA		es a fully to gain fu	f operation Il control in I, Perú and Brazil	2005 Acquisition of Cesky Telecom	2010 Acquisition controlling in Vivo		elefonica tral America	2016 Creation of Telxius and sale of minority stake to KKR (closing 2017)
(CTNE) is	 1987 ts on New fork Stock Exchange	1994 Enters in Perú (TdP)	 1998 Wins the tender for Telesp (Brazil)	200 JV with Portu Telecom in Brazil - Vi	al Acquisition	Long Controlling stake in Colombia Telecom Acquisition of O2 (UK, Germany and Ireland)	 2012 IPO of Telefónica Deutschland	2014 Disposals of Telefónica Czech Republic and Ireland Acquisition of E-Plus in Germany	2015 Disposal of Telecom Italia stake Acquisition of DTS (Canal +) in Spain and of GVT in Brazil	stake in Telefonica Deutschland from 63.2% to 69.2% via swap agreement

52,008

17

million euros of **revenue** during the financial year 2017

countries in which we operate

Key Management_



JOSE MARÍA ÁLVAREZ-PALLETE Chairman and CEO, Telefónica S.A.

Appointed April 2016

He joined Telefónica in 1999 and has held a variety of roles including CFO of Telefónica Internacional and Group CFO. Before becoming Chairman and CEO, he was the regional CEO for both Latin America and Europe, and Group Chief Operating Officer. He joined the Board of Telefónica in July 2006.



ANGEL VILÀ BOIX

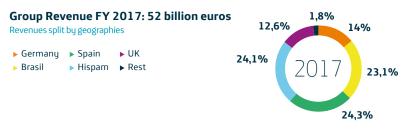
Chief Operating Officer, Telefónica S.A. Appointed July 2017

He joined Telefónica in 1997 and has held positions within the Group as Controller, Head of Corp. Development, Chief Financial and Corp. Development and Chief Strategy and Finance Officer. He sits in the Board of Telefonica since July 2017 and is Trustee of the Telefónica Foundation.

Other members of the Executive Committee

Laura Abasolo (Chief Finance and Control Officer), Eduardo Navarro (Telefónica Brasil), Markus Haas (Telefónica Deutschland), Emilio Gayo (Telefónica España), Alfonso Gómez (Telefónica Hispam Norte), Bernardo Quinn (Telefónica Hispam Sur), Mark Evans (Telefónica UK), Chema Alonso (Chief Data Officer), Mariano de Beer (Chief Commercial Digital Officer), Guillermo Ansaldo (Chief Global Resources Officer), Pablo de Carvajal (Group General Counsel, Public Affairs & Regulation), Enrique Lloves (Strategy and Corporate Development), Marta Machicot (Human Resources), María García-Legaz (Chief of Staff), José Luis Gómez-Navarro (Comms. & Institutional Marketing).

Unique diversification portfolio in the industry_



We are transforming into a data-driven company

Broadband and digital services as a % of revenue



Acquisition of (Canal +) in Spain and E-Plus in Germany of GVT in Brazil

Telefónica in figures

	0 –	
Million euros	FY 2017	FY 2016
Revenues	52,008	52,036
OIBDA*	16,187	15,118
OIBDA Margin	31.1%	29.1%
Capex	8,697	8,928
Net income	3,132	2,369
EPS	0.56€	0.42€
FCF	4,947	4,378

122,718

employees as o December, 2017

343 million

(*) OIBDA: Operating Income before Depreciation and Amortisation

Financial Outlook_

Operating 2018 Guidance (Organic)	Guidance 2018E (IAS 18)
Revenues	Growth of around 1% (despite regulation dragging: -0,9 p.p.)
OIBDA margin	Continues expanding around 0.5 p.p. (despite regulation dragging: -1,6 p.p. on OIBDA growth)
CapEx ex- spectrum/Sales	Around 15%

Credit Ratings_

	Long Term	Perspective
Moody's	Baa3	Stable
Fitch	BBB	Stable
S&P	BBB	Stable

Telefónica offers an attractive stable and sustainable dividend







Our business model

Telefonica is a company of smart platforms, laying digital services and artificial intelligence on top of our world class infrastructure and IT Systems to enhance customer experience and become more efficient.

Around 56 bn€ invested since 2012

4th platform	Cognitive power	Born to harmonize the information about the client contained in the other three platforms and transform it into knowledge thanks to the artificial intelligence. It allows us to establish a new, more natural and simple customer relationship model under the principles of transparency, security and control of their data.
3rd platform	Products and services	It refers to our products and services. They make up a differentiated offer, personalized and simple, that takes advantage of the capillarity of our physical assets and systems. Commited to innovation we are focusing on a specific set of digital services (new video formats, music, cloud, games and security) and investing in start-ups in order to acquire digital capabilities beyond connectivity.
2nd platform	IT & Systems	This platform contains our support systems and commercial systems. It drives end-to-end digitalization and enables the connection with the other platforms, making us a real-time, automated and customer-oriented company.
1st platform	Physical assets	It includes all of our physical assets from networks and base stations to stores or customer equipment. It is everything that makes us relevant to the customer. It manages a large amount of data in real time and receives most of our investment.

Our Values



Bold We go a step further to offer customers useful and innovative solutions.

Digital Trust_

A key element of our customer promise



Customer's Personal Data must be protected and safe



USERS

(+)

We aim to be a collaborative telco with our partners and attentive and clear with customers

Customers must have control over their data

and be informed on how their data is used



Trusted Our world-class networks offer security and quality for our customers





Customers must be able to benefit from their data



Telefónica launches its virtual assistant in 6 countries



Employees.



Awards and recognitions 2017_

 Dow Jones Sustainability Index 2017. Telefónica ranks in the top 9

 Fortune's Ranking Telefónica voted best European telecom operator in "The World's Most Admired . Companies 2017"

- Telefonica enters the new 2018 **Bloomberg Gender-Equality** Index o GEI
- Carbon Disclosure Project. Telefonica on the "A List" of the Carbon Disclosure Project – for its strategy, transparent management and initiatives aimed at responding to climate change.

Telefonica