Telefónica is one of the largest telecommunications companies in the world by market capitalization and number of customers providing an attractive offer and quality of connectivity that is delivered over world class fixed, mobile and broadband networks. We run operations in 16 countries, split into two geographic regions: Europe and Latin America. We have 356 million customers, including 270 million mobile customers, nearly 13 million fiber and cable customers and more than 8 million pay TV customers. Telefónica employs 120,138 employees.

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 Chairman 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 Telefónica since July 2017 and is Trustee of the Telefónica Foundation.

Other members of the Executive Committee
Pablo de Carvajal (General Counsel & Regulatory Affairs), Laura Abasolo (Chief Finance and Control Officer), Eduardo Navarro (Chief Comms, Brand, Public Affairs & Sustainability Officer), Enrique Lloves (Strategy and Corporate Development), María García-Legaz (Chief of Staff), Chema Alonso (Chief Data Officer), Marta Machicot (Chief People Officer), Guillermo Ansaldi (Chief Global Resources Officer), Mariano de Beer (Chief Commercial Digital Officer), Alfonso Gómez (Telefónica Hispanic Norte), Bernardo Quim (Telefónica Hispanic Sur), Christian Gebara (Telefónica Brazil), Emilio Gago (Telefónica España), Mark Evans (Telefónica UK), Markus Haas (Telefónica Deutschland).

We are transforming into a data-driven company
Broadband and services beyond connectivity as a % of revenue

Unique diversification portfolio in the industry

Group Revenue FY 2018
Revenues split by geographies
- North HispAm
- South HispAm
- UK
- Germany

We have an attractive stable and sustainable dividend

Dividend 2019
0.40 €
100% cash

Credit Ratings

Moody’s
Baa3
Stable
Fitch
BBB
Stable
S&P
BBB
Stable

Financial Outlook

Operating 2019 Guidance (Organic)
- Revenues: Growth of around 2%
- OIBDA Margin: Growth of around 2%
- CapEx/Sales ex-spectrum: Around 15%

Credit Ratings:
- Moody’s: Baa3, Stable
- Fitch: BBB, Stable
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Telefónica offers an attractive stable and sustainable dividend

Dividend 2019
0.40 €
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Financial Outlook:
- Operating 2019 Guidance (Organic)
  - Revenues: Growth of around 2%
  - OIBDA Margin: Growth of around 2%
  - CapEx/Sales ex-spectrum: Around 15%
### Telefónica’s Main Markets

<table>
<thead>
<tr>
<th>Market</th>
<th>Accesses (thousands)</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>95,302</td>
<td>10,126</td>
</tr>
<tr>
<td>Peru</td>
<td>19,712</td>
<td>2,075</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>32,978</td>
<td>6,790</td>
</tr>
<tr>
<td>Central America*</td>
<td>12,698 (*)</td>
<td>874</td>
</tr>
<tr>
<td>Chile</td>
<td>11,597</td>
<td>2,080</td>
</tr>
<tr>
<td>Colombia</td>
<td>19,068</td>
<td>1,468</td>
</tr>
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<td>Mexico</td>
<td>27,013</td>
<td>1,175</td>
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<td>Uruguay</td>
<td>1,676</td>
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<td>10,092</td>
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<td>41,547</td>
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<td>23,928</td>
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</table>

* Central America includes telecommunications operations in Costa Rica, El Salvador, Guatemala, Nicaragua and Panama. Guatemala was sold on Jan. 24, 2019, and the sale of the remaining four countries has been agreed and is subject to regulatory approvals.

### Our business model

Telefónica 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.

#### 4th platform

**Cognitive power**

This platform harmonizes all our customer data to help create better experiences for them thanks to artificial intelligence tools. It allows us to establish a more natural and simple way to interact with customers under the principles of transparency, security and control of their data.

#### 3rd platform

**Products and services**

With this platform Telefónica aims to offer our customers the most innovative and best-in-class products (video, cloud, Big Data and security) as well as aggregate third party services.

#### 2nd platform

**IT & Systems**

This platform contains our support systems and commercial systems. It drives end-to-end digitalization and makes us a real-time, automated and customer-oriented Company. 65% of the processes are digitalised and managed in real time.

#### 1st platform

**Physical assets**

It includes all of our physical assets from networks and base stations to stores or customer equipment. This platform is everything that makes us relevant. Telefónica is leader in fiber, both in Europe and Latin America, with more broadband customers in fiber/cable (61%) than copper.

### Our Mission

**Making our world more human by connecting lives**

### Telefónica’s growth formula

\[ G = M \cdot R^4 \]

#### Digital Trust

**A key element of our customer promise**

**Users**

- Customer’s Personal Data must be protected and safe
- Customers must have control over their data and be informed on how their data is used
- Customers must be able to benefit from their data

### Our Values

**Open · Bold · Trusted**

#### Employees

- 37.7% of the workforce are women
- 23.3% of our top senior management are women

### Awards and recognitions 2018

- **Rating AAA**
  - MSCI

- **Fortune’s Ranking**
  - Telefónica voted best European telecom company in “The World’s Most Admired Companies 2018”.

- **CDP**
  - Telefónica is part of Bloomberg Gender-Equality Index (GEI)

- **Telefónica is part of Bloomberg Gender-Equality Index (GEI)**

- **Financial Times**
  - Telefónica is among Europe’s 100 digital champions.