

PRESS RELEASE

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TELEFÓNICA KICKS OFF ERA OF SOCIAL TELEVISION WITH PIONEERING AND UNIQUE INNOVATION IN THE FIELD OF TELEVISION

- **The user will be able to comment, debate or talk with his friends and contacts around any Movistar+ live programme.**
- **Social TV represents further differentiation of the Movistar + service, supported by technological improvement and the best content.**
- **In addition to Spain, Telefónica currently offers TV services and/or video-on-demand in Argentina, Brazil, Chile, Colombia, Peru and Venezuela, through its various platforms**
- **In 2016, Telefónica will launch video services across seven new Latin American markets and will strengthen its leadership in HD across the region by investing in differentiated content**

Barcelona, February 22, 2016.- Telefónica presented at Mobile World Congress 2016 (MWC) a pioneering and unique initiative in the world of television that integrates interactivity and the social component in its video offering. The service known as Social TV allows the user to interact with other people directly on their TV screen.

At MWC Telefónica has added the innovative solution to their television service in Spain, Movistar+, to show the benefits of interactivity between different users across different contents while they are watching television.

With Social TV, the user is able to comment, debate or talk to friends or contacts during any live programme using a conference call and simultaneous chat system. This is a leap forward towards interactivity of television based on an innovation project that offers much more to the customer than simply live-tweeting a TV show with the mobile.

The technical requirements of Social TV are minimal needing just an integrated microphone-equipped camera to enjoy on a TV screen, tablet or smartphone, which will allow users to interact with all available content on Movistar+, from a football or tennis match, to a TV show or a cinema gathering, among many others.

The social conversation, in the format the user chooses – text, chat or voice and image through video conferencing – will appear on the TV screen in real time at the same time as the TV content being broadcast.

Social TV is a leap forward in differentiating what Telefónica wants to bring to its television offer in all markets where it operates, supported by technological improvements and the acquisition of the best content.

Telefónica's commitment to Video in Latin America

Telefónica currently has 4.5 million pay-TV customers in Latin America where it offers TV and/or video-on-demand (VoD) in Argentina, Brazil, Chile, Colombia, Peru and Venezuela, through various technology platforms. Countries to which seven other new markets will be added gradually: Ecuador, Uruguay, Panama, Costa Rica, El Salvador, Guatemala and Nicaragua.

With these new launches and investment in differentiated content, Telefónica will consolidate its leadership in the region with its HD content offering, a market which recorded a growth of 140% in 2015. It also plans to increase its proposed OTT multi-screen services with quality content and will promote the development of hybrid services that enable users to enjoy the best content either through linear or on-demand channels.

In the field of technology and innovation, as well as Social TV, Telefónica continues its commitment to develop cutting-edge capabilities for its television model and be able to continue broadcasting with a differentiated proposal.

For instance, the Real Madrid-Barcelona match was already broadcasted using 4K technology in 2015 on Movistar+. Telefónica pioneered pay-TV when it introduced the multi and split screen mode so that customers can watch motorbike racing or Formula 1 from any camera angle they wish. In addition, *Screen Fusion*, a decoder with integrated display also known as Home Gateway Unit (HGU) has been recently launched in Spain, a device that integrates in a single router equipment, ONT and Videobridge.