

NOTA DE PRENSA

PRESS RELEASE

TELEFÓNICA TO LINK BRAZIL AND THE USA WITH A NEW SUBMARINE CABLE

BRUSA will become part of Telxius, Telefónica's recently created global infrastructure company

Madrid, 9 March, 2016- Telefónica announced the deployment of BRUSA, a new submarine cable nearly 11,000 km in length linking Rio de Janeiro and Fortaleza (Brazil) with San Juan (Puerto Rico) and Virginia Beach (USA). The cable is expected to begin operations in early 2018 reinforcing Telefónica's infrastructure leadership in the Americas.

Leading edge technology will allow BRUSA to support ultrafast transmission capacity and to increase end-to-end connectivity and the availability of ultrahigh-speed broadband services. With this new infrastructure Telefónica strengthens its leadership in the Wholesale market and addresses the exponential growth of data transmission generated by its B2B customers, telecom operators, OTT players and end-consumers.

This new infrastructure will improve communication reliability and deliver enhanced resilience by increasing the number of USA landing points, overall network performance and end-to-end security. BRUSA will also provide one of the lowest latency communication links between the two largest economies in the region, Brazil and USA, and will offer a greater flexibility and scalability than previously deployed systems.

Telefónica has recently strengthened its infrastructure in the Americas with the deployment of the Pacific Caribbean Cable System (PCCS), a consortium submarine cable with a transmission capacity of up to 80 Tbps, which links Jacksonville (Florida, USA) with the British Virgin Islands, Puerto Rico, Aruba, Curacao, Colombia, Panama and Ecuador. In addition, Telefónica also manages the Unisur cable connecting Uruguay and Argentina and the SAM-1, a submarine cable system deployed in 2000, which forms a 25,000 km ring linking the USA, the Caribbean and Central and South America.

The new submarine cable reinforces Telefónica's ambition to provide a more cost effective and reliable service to Telefónica companies as well as other telecom operators and content providers, allowing Telefonica to seize the growth opportunities of the global wholesale market.

BRUSA will become part of Telxius, the global company recently created by Telefónica to best optimise its infrastructure asset portfolio and that will gradually integrate certain of these assets including part of its tower and submarine fiber optic cable networks.

Telefónica's global fibre optic network consists of more than 65,000 km (of which 31,000 km is proprietary submarine fibre optic cable) connecting the USA, the Americas and Europe.

About Telefónica

Telefónica is one of the largest telecommunications companies in the world by market capitalization and number of customers with a comprehensive offering and quality of connectivity that is delivered over world class fixed, mobile and broadband networks. As a growing company it prides itself on providing a differential experience based both on its corporate values and a public position that defends customer interests.

The company has a significant presence in 21 countries and over 322 million accesses around the world. Telefónica has a strong presence in Spain, Europe and Latin America, where the company focuses an important part of its growth strategy.

Telefónica is a 100% listed company, with more than 1.5 million direct shareholders. Its share capital currently comprises 4,975,199,197 ordinary shares traded on the Spanish Stock Market and on those in London, New York, Lima, and Buenos Aires.