

TELEFÓNICA STRENGTHENS APAC PROPOSITION THROUGH KEY PARTNERSHIP WITH SOFTBANK TELECOM IN JAPAN

- This partnership strengthens Telefonica's position to better serve MNCs in Japan and across Asia Pacific region
- This significant mutual agreement leverages & complements both companies' strength and positions in the global market

Madrid, January 20th 2015 – Telefonica is accelerating its growth by launching a new partnership with SoftBank Telecom in Japan through its Multinational business division.

SoftBank Telecom and Telefonica Global Solutions will jointly address multinationals business in Japan working in conjunction with Telefonica's existing offices in Hong Kong, Beijing, Shanghai and Singapore. Telefonica continues building its global reach, enabling multinationals to leverage Telefonica's global purchasing power and managed services, and acting as a gateway and key partner for added value IT services with the unique support of SoftBank Telecom, a leading ICT company in Japan.

Both Companies will lead the delivery of managed IT, fixed, mobile and unified communications to multinationals in Japan and Telefonica footprint.

José Luis Gamo, Telefonica Multinationals Business Unit CEO commented: "Japan is strategically important in this region and this partnership reflects a clear willingness to continue expanding and developing our relationships with our multinational customers in Asia Pacific".

Akihiro Oshima, Head of Global Business Unit commented: "Through this partnership, we are confident that Telefonica and SoftBank Telecom will leverage capability and strength of both companies and bring unique value to MNCs in Japan".

About Telefonica

Telefonica is one of the largest telecommunications companies in the world in terms of market capitalisation and number of customers. With its best in class mobile, fixed and broadband networks, and innovative portfolio of digital solutions, Telefonica is transforming itself into a 'Digital Telco', a company that will be even better placed to meet the needs of its customers and capture new revenue growth.

The company has a significant presence in 21 countries and a customer base of more than 316 million accesses around the world. Telefonica 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 4.551.024.586 ordinary shares traded on the Spanish Stock Market and on those in London, New York, Lima, and Buenos Aires.

Telefonica Global Solutions manages globally the multinational, wholesale and roaming business within the Telefonica Group. Global Solutions delivers integrated fixed, mobile and IT services to some of the world's top multinationals and corporations. It also provides global telecommunication services for fixed and mobile carriers, ISPs and content providers. Telefonica Global Solutions develops an integrated and competitive portfolio for carriers and corporations that includes international voice, IP, bandwidth capacity, satellite services, mobility and global solutions, with service reach in more than 170 countries, working in partnership with 24 leading telcos operating in 45 countries. Global Solutions is a multicultural organisation, with more than 1400 employees, working in over 40 countries and speaking more than 15 languages.

www.telefonica.com

www.globalsolutions.telefonica.com

About SoftBank Telecom

Founded in 1984, SoftBank Telecom Corp. delivers voice and data transmission services for businesses and provides a comprehensive mobile Internet environment. Maximizing the synergy effects brought by four other telecom companies in the SoftBank Group, SoftBank Telecom is a proven and trusted presence in the ICT industry. Addressing customer needs to solve a variety of business challenges, SoftBank Telecom delivers outside-the-box ICT services with its cloud computing service, White Cloud, which enables corporate customers to fully optimize their IT investments and assets.

For more information, please visit <http://www.softbank.jp/en/corp/group/sbtm/>
<http://tm.softbank.jp/english/business/>