

NOTA DE PRENSA

PRESS RELEASE

Telefónica signs Strategic Partnership with Coral Group to deliver innovative solutions

TELEFÓNICA OPEN FUTURE_ COMMITS US\$200 MILLION FOR INNOVATION PLATFORM

- Telefónica will invest up to US\$200 million in strategic innovation Coral Group to develop and deliver integrated solutions
- This strategic partnership combined with Telefónica's R&D&I will help maximize the return on Telefónica's future capital investments

Madrid, May 18th, 2015.- Telefónica announced today that it has entered into a limited partnership with Coral Group to form an investment platform to discover, create and deliver innovative products and solutions to accelerate and enhance the digital experience of its customers in Europe and Latin America.

Telefónica Open Future_, the program which integrates all open innovation initiatives of the Group, is leading Coral's Communications Investment Platform (CIP) by committing US\$200 million. As a leader in the CIP, Telefónica Open Future_ is establishing itself as a front runner in forming "innovation factories" to accelerate the creation of new and disruptive technologies to benefit Telefónica's 320 million customers.

Telefónica and Coral intend to expand the reach of the CIP with up to four additional communication service providers around the world with similar commitments to real innovation, leveraging upon each other's innovations. With these additional partners, the CIP is expected to have up to US\$1 billion to invest in new technologies and services that will reach 1-2 billion customers.

Telefónica is combining the efforts of CIP and Telefónica's R&D&I in order to enhance the return on Telefónica's future capital investments (more than US\$7.5 billion in 2014) and help transform the company into a major market player in areas such as next generation networks, big data and machine learning, and the Internet of Things.

The investments in the CIP further supplements Telefónica Open Future_'s open innovation initiatives and strong support to global tech entrepreneurs and startups through its 310 million euros pre-existing commitments to the Open Future_ global online acceleration platform and crowdworking spaces; the Wayra acceleration academies; the Amerigo Funds and Telefónica Ventures; and through rapidly growing alliances with numerous institutions within the Telefónica footprint and relevant partners such as China Unicom, the Tsinghua University and the governments of South Korea and Finland among others. With presence in 17 different countries, these initiatives have funded over 550 companies and created new digital employment for more than 5,000 people.

Telefónica Open Future_ and CIP will seek to further accelerate and expand Telefónica's global transformation into a "digital telco", being at the cutting edge of technology and smart investments.

About Telefónica Open Future_

Open Future_ is a global, open program designed to connect entrepreneurs, startups, investors and public and private organizations worldwide. Its goal is to guide innovation towards the development of viable projects, using a scale up model that gives visibility to the talent and connect with organizations, investors and businesses.

Telefónica Open Future_ integrates all open innovation initiatives, entrepreneurship, investment and transformation of Telefónica (including, among others, openfuture.org online platform, Open Future crowdworking spaces, Wayra acceleration academies, Amerigo Funds, Telefónica Ventures, and now CIP) and makes available to strategic partners, to develop with them specific support programs to scale up entrepreneurship. For additional information, visit www.openfuture.org.

About Coral Group, LLC

Coral Group is a venture firm investing in seed through late stage technology companies with a particular focus on mobile and telecom. It invests in companies with disruptive innovations that are changing the way businesses and consumers interact. Coral works with entrepreneurs and companies to scale innovations and solutions. For additional information, visit www.coralgrp.com.