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PRESS RELEASE

TELEFÓNICA LEADING IOT EVOLUTION BY PROVIDING 4G-LTE CONNECTIONS IN SMART M2M SOLUTION

- **Telefónica launches 4G-LTE IoT connectivity global service, served with its global SIM and Smart m2m solution.**
- **This technology will address new demands of Internet of things customers in both high data usage and low energy/data segments**

Madrid, 28 December 2015 – Telefónica IoT business unit has recently incorporated 4G-LTE global SIM connections in its Smart m2m Solution, a best-in-class web-based platform for the connectivity, management and control of IoT communications developed by Telefónica which counts with over 1,000 customers worldwide.

IoT customers and solutions are starting to demand LTE based IoT managed connectivity solutions for two opposite use cases: a) high bandwidth (e.g. infotainment in cars) and b) low-power low-data usage machine to machine communications.

LTE technology was originally designed for high data-rate broadband services, where we can find applications in the IoT arena, like in car infotainment services.

However, standards are being adapted for LTE to be the reference also for low end uses cases, which will support existing low-data low-power applications in the IoT arena, and enable new use cases to come. In this sense 3GPP has defined LTE-M for machine type communication, including reduced bandwidth, lower maximum transmit power and reduced support for downlink transmission. This allows significant cost reductions to enable ARPU competitive solutions.

Telefonica is leading this IoT evolution providing this access technology in its in house developed managed connectivity solution.

Telefonica's ability to provide first class IoT services means customers have the future proof connectivity, management and control of world-leading, reliable and secure IoT communications between machines. Smart m2m Solution offers global service adapted to local needs.

Vicente Muñoz, Telefonica's IoT business unit CEO, "Telefonica is at the forefront of the digital revolution ensuring their customers have cutting-edge solutions and management and control of world-leading, reliable and secure IoT communications between machines. 4G-LTE connections will combine perfectly with our leading Smart m2m Solution already commercially available for Telefonica globally"

About Telefonica

Telefónica 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, Telefónica 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 over 327 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 4.864.341. 251 ordinary shares traded on the Spanish Stock Market and on those in London, New York, Lima, and Buenos Aires.

For more information about Telefonica m2m business, visit m2m.telefonica.com or follow on Twitter at [@m2mtelefonica](https://twitter.com/m2mtelefonica) and [LinkedIn](https://www.linkedin.com/company/telefonica).