

PRESS RELEASE

TELEFÓNICA AND HUAWEI AWARDED FOR LEADING WORK DEFINING FUTURE 5G NETWORKS

Madrid, June 8, 2017.- Telefónica and Huawei won the 5G “Infrastructure Service Innovation” award for innovation and testing on “CloudRAN based 5G UCNC (user-centric no-cell) Network” at the annual Global Telecommunication Business Innovation Awards recently held in London. Development of this work is of great importance for the digital industry transformation and for 5G future commercial deployments.

The two companies have been working together in the field of 5G & NG-RAN since November 2015 when they signed a Joint Innovation Agreement. As part of their interest pushing new generation networks, the Agreement also includes the set-up of a 5G Joint Innovation Lab to work on 5G UCNC architecture, mmWave for fiber-like fixed broadband, mobile network cloud, and Massive MIMO.

The network evolution should begin with the evolution of the architecture. The 5G UCNC concept adds to the 5G standard features beyond the high-speed or low-latency, such as uniform user experience across the cell, efficiencies for the improved number of connections and signaling overhead reduction. This is also one of the pillars for E2E network slicing, providing operators with a way to realize the new business model of deploying different services with diverse requirements over a single network infrastructure.

On November last year, Telefonica and Huawei already verified 5G UCNC initial features such as latency reduction. Three months later, the companies achieved constant ultra-fast user experience of 100Mbps everywhere, as part of the PoC (Proof of Concept) of 5G UCNC network that took place in the 5G Joint Innovation Lab. Furthermore, the second phase of the 5G UCNC field trial will start this summer and include a trial of the whole 5G UCNC solution.

Enrique Blanco, Global Chief Technology Officer of Telefónica said: “We are happy to see that we win the award together because this is a new industry's commitment to fulfil a whole solution for 5G, to pave the way to the 5G commercial deployment in the future. Telefonica and Huawei collaboration in their 5G joint Innovation Lab is an excellent initiative to discuss topics in-depth, including key technologies, customer value and deployment scenarios.”

Wen Tong, Huawei Fellow and CTO of Huawei Wireless Networks, said: “Telefónica and Huawei have achieved milestones on the “CloudRAN based 5G UCNC Network” project recently, and won the award. Currently, the network architecture of operators needs to be transformed from Network Centric to User Centric. Huawei will help Telefónica to fulfil the target of deploying 5G commercial networks and gaining new business opportunities.”

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 347 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 5,037,804,990 ordinary shares traded on the Spanish Stock Market and on those in London, New York, Lima, and Buenos Aires.

About Huawei

Huawei is a leading global information and communications technology (ICT) solutions provider. Our aim is to build a better connected world, acting as a responsible corporate citizen, innovative enabler for the information society, and collaborative contributor to the industry. Driven by customer-centric innovation and open partnerships, Huawei has established an end-to-end ICT solutions portfolio that gives customers competitive advantages in telecom and enterprise networks, devices and cloud computing. Huawei's 180,000 employees worldwide are committed to creating maximum value for telecom operators, enterprises and consumers. Our innovative ICT solutions, products and services are used in more than 170 countries and regions, serving over one-third of the world's population. Founded in 1987, Huawei is a private company fully owned by its employees.

For more information, please visit Huawei online at www.huawei.com or follow us on:

<http://www.linkedin.com/company/Huawei>

<http://www.twitter.com/Huawei>

<http://www.facebook.com/Huawei>

<http://www.google.com/+Huawei>