

PRESS RELEASE

Microsoft to open new datacenter region in Spain and expand strategic partnership with Telefónica to boost Spain's competitiveness

- *Microsoft will open a datacenter region in Spain to help accelerate digital transformation of public and private entities of all sizes, helping them to innovate, scale and migrate their businesses to the cloud in a secure way.*
- *Microsoft will leverage Telefónica infrastructure as part of their global strategic partnership.*
- *Under their strategic partnership, the two companies will develop joint go-to-market plans in all countries where Telefónica operates.*
- *Additionally, Telefónica will accelerate its use of Microsoft's cloud internally as part of its own digital transformation journey.*

Redmond, Wash. and Madrid, February 25th, 2020.- Microsoft Corp. and Telefónica today announced plans to further expand their global strategic partnership to accelerate digital transformation for public and private entities of all sizes. Together, the two companies will help their mutual customers leverage the cloud to more quickly, securely and easily innovate and scale their operations to create new business opportunities and improve competitiveness.

Microsoft will deliver intelligent Microsoft cloud services – including Microsoft Azure, Microsoft 365, Microsoft Dynamics 365 and Microsoft Power Platform – from new datacenter regions in Spain. Additionally, Telefónica will accelerate its own internal digital transformation by choosing Microsoft as its strategic cloud partner.

“Telefonica and Microsoft share a commitment to helping Spanish organizations of all sizes, in every industry, thrive in a world of rapid technologic change,” said Satya Nadella, CEO, Microsoft. “Together, we will deliver comprehensive, intelligent, secure and trusted cloud services – spanning Azure, Microsoft 365 and Dynamics 365 – from datacenters in Spain, helping our customers accelerate their digital transformations.”

“The opening of a Microsoft datacenter region in Spain is a game changer, a key milestone in our strategic partnership that will boost Spain's industrial fabric and digital economy”, said José María Álvarez-Pallete, chairman and CEO of Telefónica. “Cloud is one of the key priorities in Telefónica, as we announced in November, with the launch of Telefónica Tech, the new unit to boost the solid growth of digital services. This global strategic partnership with Microsoft will certainly help to achieve that objective.”

Microsoft and Telefónica Partnership Momentum

Today's announcement builds on the partnership between both companies with new initiatives and joint plans across three key areas:

- With the expanded relationship, the two companies have identified the opportunity to collaborate to better serve the needs of organizations of all sizes, in critical sectors such as government, health, education, travel, manufacturing, retail, finance, insurance and more, all with significant social and economic impact. Joint capabilities, delivered from a Microsoft Azure datacenter region in Spain and leveraging Telefónica's infrastructure, will also allow Telefónica and Microsoft's joint customers to deliver new services that require low latency, security and assured bandwidth, opening up new scenarios around 5G, edge computing and Industry 4.0.
- A new strategic collaboration framework between Telefónica and Microsoft will also provide joint go-to-market plans in Telefónica's footprint.
- As part of Telefónica's digital transformation, the company will use the Microsoft cloud for its own internal operations, pursuing efficiency, flexibility and scalability improvements, optimization of operations and cost reductions. Telefónica has also deployed Microsoft 365 to its global employee base to enable more seamless communication and collaboration across the 14 countries in which it operates. As a strategic partner for its multi-cloud strategy, Microsoft will train hundreds of Telefónica employees on Microsoft Cloud services

About Microsoft

Microsoft (Nasdaq "MSFT" @microsoft) enables digital transformation for the era of an intelligent cloud and an intelligent edge. Its mission is to empower every person and every organization on the planet to achieve more.

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 14 countries in Europe and Latin America and over 344 million accesses.

Telefónica is a 100% listed company and its shares are traded on the Spanish Stock Market and on those in New York and Lima.

For more information, press only:

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