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Group structure and description

The Company is divided into three geographic regions: Spain, Latin America and Europe

Telefónica's management model enables it to remain close to its customers and to promote synergies.

Comprehensive Multi-local Management Model

Telefónica's management model enables it to maximise the value of action taken at the global, regional and local levels. In 2009, the Company exploited its scale and strategic alliances in order to promote synergies and continue developing a sustainable business model.

In 2009, this structure enabled the creation of a new Multinational Companies Unit, and the concentration of all purchasing management for various product lines in Munich from 2010.



The Group's operations in 25 countries are organised into three geographic regions: Spain, Latin America and Europe.

Corporate Centre

Within this organisational structure, Telefónica's Corporate Centre is responsible for its global and organisational strategies, its corporate policies, management of common activities, and coordinating the activity of business units.

Telefónica España

The activity of Telefónica España includes fixed telephony (including pay TV), mobile telephony and Broadband. Movistar has been the only commercial brand in Spain since May 2010. In 2009, the Company sold its stake in the Moroccan operator Médi Télécom.

Julio Linares, Chief Operating Officer of Telefónica, S.A.

Telefónica Latin America

Telefónica Latin America operates in 13 countries where it offers fixed and mobile telephony, Internet, Broadband and Pay TV services: Argentina, Brazil, Chile, Colombia, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Panama, Peru, Uruguay and Venezuela. In addition, Telefónica is also active in Puerto Rico and the USA.

In addition, Telefónica International Wholesale Services (TIWS) offers wholesale telecommunication services on a global scale. Its range includes international voice, capacity, IP interconnectivity, satellite, corporate and mobile services. It has an international network of over 45,000 km of optical fibre cables.

Telefónica Europe

Telefónica Europe offers fixed and mobile telephony and broadband services, and is operational in the UK, Ireland, Germany, the Czech Republic and Slovakia. It operates under the O2 brand in these markets.

Alliances and other shareholdings

Telefónica has a presence in China, Italy and Portugal through its equity stakes in China Unicom, Telecom Italia and Portugal Telecom, respectively.

Other companies

Atento offers customer relation management services through its contact centres. It operates in Spain, Argentina, Brazil, Central America, Chile, Colombia, the USA, Morocco, Mexico, Peru, Puerto Rico, the Czech Republic, Uruguay and Venezuela.

T-gestiona provides a full range of financial administration, HR, property, logistics and distribution, process consultancy, ERP and comprehensive back-office services. It is active in Spain, Argentina, Brazil, Chile and Peru.

Telefónica R&D is involved in technological research and, in terms of activity and funding, it is the largest private R&D centre in Spain and the largest on the continent in the ICT sector in terms of participation in European research projects. It is operational in Spain, Brazil and Mexico.

Telefónica España

	% Part
Telefónica de España ¹	100.00
Telefónica Móviles España ¹	100.00
Telyco	100.00
Telefónica Telecomunic. Públicas	100.00
T. Soluciones de Informática y Comunicaciones de España	100.00
Iberbanda	58.94

1 Company owned through Telefónica S.A.

Telefónica Europe

	% shareholding
Telefónica O2 United Kingdom	100.00
Telefónica O2 Germany ¹	100.00
Telefónica O2 Ireland	100.00
Manx	100.00
Be	100.00
Group 3G (Germany) ²	100.00
Telefónica O2 Czech Republic ¹	69.41
Telefónica O2 Slovakia ³	100.00

1 Company owned through Telefónica S.A.

2 Company owned through Telefónica O2 Germany.

3 Company owned through Telefónica O2 Czech Republic.

Telefónica Latin America

	% shareholding
Telesp ¹	87.95
Telefónica del Perú ²	98.34
Telefónica de Argentina	100.00
TLU Puerto Rico	98.00
Telefónica Chile ³	97.89
Telefónica Telecom	52.03
Telefónica USA	100.00
T. Intern. Wholesale Serv. (TIWS) ⁴	100.00
Brasilsel ^{5,6}	50.00
T. Móviles Argentina	100.00
T. Móviles Perú	100.00
T. Móviles México ⁶	100.00
Telefónica Móviles Chile	100.00
T. Móviles El Salvador	99.08
T. Móviles Guatemala	99.98
Telcel (Venezuela)	100.00
T. Móviles Colombia	100.00
Otecel (Ecuador)	100.00
T. Móviles Panamá	100.00
T. Móviles Uruguay	100.00
Telefonía Celular Nicaragua	100.00
T. Móviles Soluciones y Aplicac. (Chile) ⁶	100.00

1 Effective holding of 88.01%.

2 Latin American Cellular Holdings, B.V. owns 48.28%, Telefónica Internacional, S.A. owns 49.9% and Telefónica S.A. owns 0.16%.

3 Telefónica Internacional de Chile, S.A. owns 44.89% and Inversiones Telefónica Internacional Holding Ltda. owns 53%.

4 Telefónica, S.A. owns 92.51% and Telefónica DataCorp owns 7.49%.

5 Joint Venture which consolidates the subsidiary Vivo, S.A. using the full consolidation method through a shareholding in Vivo Participações, S.A. (59.42%).

6 Company owned through Telefónica S.A.

Other holdings

	% shareholding
3G Mobile AG (Switzerland)	100.00
Grupo Atento ¹	100.00
Telefónica de Contenidos (Spain) ¹	100.00
Mobipay Internacional ¹	50.00
Telco SpA (Italy) ²	46.18
IPSE 2000 (Italy) ³	39.92
Mobipay España ³	16.63
Lycos Europe	32.10
Hispasat	13.23
Portugal Telecom ⁴	9.86
China Unicom (Hong Kong) Limited (CHINA)	8.37
ZON Multimedia ⁵	5.40
BBVA ¹	0.98
Amper ¹	6.10

1 Company owned through Telefónica S.A.

2 Telefónica owns an indirect shareholding of approximately 10.49% in the ordinary share capital (with voting rights) of Telecom Italia through Telco. If we add Italian preference shares (azioni di risparmio), which do not have voting rights, the indirect shareholding of Telefónica in Telecom Italia is 7.21%.

3 Companies in which Telefónica Móviles España has a direct or indirect shareholding.

4 Effective percentage of the Telefónica Group. Not taking into account minority interests, the percentage shareholding of the Telefónica Group is 10%.

5 Effective percentage of the Telefónica Group. Not taking into account minority interests, the percentage shareholding of the Telefónica Group is 5.46%.

Note: on 21 October 2009 Telefónica and China Unicom agreed a share exchange under which Telefónica increased its shareholding in China Unicom from 5.38% to 8.06%. Following a capital reduction carried out by China Unicom, the Telefónica Group's shareholding amounts to 8.37%.

Telefónica's largest shareholdings

- Last year, Telefónica sold its 32.18% shareholding in the Moroccan operator Média Télécom to local shareholders.
- The Company has increased its shareholding in Telefónica CTC Chile to 97.89%.

- Through its subsidiary Telefónica Europe, the Group acquired JAJAH, a leading innovative company in the communications sector.
- In February 2010, Telefónica completed the acquisition of the German operator HanseNet through its subsidiary Telefónica Deutschland GmbH.