

...a suitable structure...

Telefónica is based on three business units (Spain, Latin America and Europe) which include the operations of 25 countries. The corporate centre provides an integral view to take full advantage of synergies

Spain,
Latin America
and Europe are
the 3 regions in
which the Group's
operations are
organised

Corporate Centre

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.

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. Telefónica is also active in Puerto Rico and the USA.

Furthermore, Telefónica International Wholesale Services (TIWS) offers wholesale telecommunication services on a global scale. Amongst its international services are voice, capacity, IP interconnectivity, satellite, as well as 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.



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

Telefónica's largest shareholdings

Telefónica España

	% Stake
Telefónica de España ¹	100.0
Telefónica Móviles España ¹	100.0
Telyco	100.0
Telefónica Telecomunic. Públicas	100.0
T. Soluciones de Informática y Comunicaciones de España	100.0
Telefónica Remesas ²	100.0
Tuenti ³	91.4
Iberbanda	58.9

1 Company owned through Telefónica S.A.

2 Company owned through Telefónica Telecomunicaciones Públicas, S.A.

3 Company owned through Telefónica Móviles España, S.A.U.

Telefónica Europe

	% Stake
Telefónica O2 UK	100.0
Telefónica O2 Germany ¹	100.0
Telefónica O2 Ireland	100.0
Be	100.0
HanseNet (Germany) ²	100.0
Jajah (US)	100.0
Tesco Mobile	50.0
Telefónica O2 Czech Republic ¹	69.4
Telefónica O2 Slovakia ³	100.0

1 Company owned through Telefónica S.A.

2 Company owned through T. O2 Germany.

3 Company owned through T. O2 Czech Republic.

Telefónica Latinoamérica

	% Stake
Telesp ¹	88.0
Telefónica del Perú ²	98.3
Telefónica de Argentina	100.0
TLD Puerto Rico	100.0
Telefónica Chile ³	97.9
Telefónica Telecom	52.0
T. Intern. Wholesale Serv. (TIWS) ⁴	100.0
Vivo Participações ⁵	59.4
Vivo ⁶	100.0
T. Móviles Argentina	100.0
T. Móviles Perú	100.0
T. Móviles Mexico ⁵	100.0
Telefónica Móviles Chile	100.0
T. Móviles El Salvador	99.1
T. Móviles Guatemala	100.0
Telcel (Venezuela)	100.0
T. Móviles Colombia	100.0
Otecel (Ecuador)	100.0
T. Móviles Panamá	100.0
T. Móviles Uruguay	100.0
Telefónica Celular Nicaragua	100.0
T. Móviles Soluciones y Aplicac. (Chile) ⁵	100.0

1 Effective stake 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 Ltda. owns 44.89% and Inversiones Telefónica Internacional Holding Ltda. owns 53%.

4 Telefónica, S.A. owns 80.56% and T. Int. Wholesale Services, S.L. owns 19.44%.

5 Company owned through Telefónica S.A.

6 Company owned through Vivo Participações, S.A.

Other Stakes

	% Stake
Atento Group	100.0
Telefónica de Contenidos (Spain)	100.0
Telco SpA (Italy) ¹	46.2
IPSE 2000 (Italy)	39.9
DTS, Distribuidora de Televisión Digital	22.0
Hispatat	13.2
Portugal Telecom ²	2.0
China Unicom (Hong Kong) Limited (China)	8.4
ZON Multimedia ³	5.4
BBVA	1.0
Amper	5.8

1 Telefónica holds an indirect stake of the ordinary share capital (with voting rights) of Telecom Italia through Telco of approximately 10.47%. If we take into account the saving shares (azioni di risparmio), which do not have voting rights, the indirect stake of Telefónica over Telecom Italia would be 7.20%.

2 In June, the Telefónica Group reduced its stake in the share capital of Portugal Telecom by 7.98%. In addition, Telefónica signed three Equity Swap contracts with different financial entities. These swaps are based on the share price of Portugal Telecom and settled by differences.

3 Telefónica's Group effective stake. Telefónica Group stake would be 5.46% if we exclude the minority interests.