

NOTA DE PRENSA PRESS RELEASE

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The Company will carry out a dedicated demonstration of this project on its stand at Mobile World Congress in Barcelona

TELEFÓNICA DEPLOYS A GLOBAL PROJECT TO ANALYSE THE EXPERIENCE OF ITS CUSTOMERS IN REAL TIME AND GUARANTEE NETWORK QUALITY AND EXCELLENCE

- Telefónica is shifting the paradigm in network management and evolving to a model which allows them to experience in real-time what the customers experience, at all times and everywhere, in order to guarantee them excellent connectivity.
- This initiative, based on the application of big data analytics techniques on services accessed via the network, allows the company to anticipate incidents and identify proactive actions aimed at improving the customer experience.
- The project will be implemented in all countries where the Company operates, beginning during the third quarter of 2016 in Argentina and Chile.

Madrid, 21st February 2016.- Telefónica has begun a ground-breaking project which will enable it to capture, in real time, the true quality of customer service experience, in order to guarantee excellent connectivity and performance, so that the customer can always enjoy the services they want, when and how they want.

This project, which has been implemented in all of the company's operations taking advantage of the Group's size, allows it to gain a real insight into the customer's experience when using the service, regardless of time or place, and it does this by means of aggregated and anonymous analysis of data based on customer behaviour.

The application of Big Data Analytics tools on the network together with its maintenance shows Telefónica is taking another step towards becoming a customer-centred company, since it entails delivering excellence in services and ensuring quality through evolving from network management to customer experience management.

The platform, which will cover all of the Service Operations Centres implemented locally by Telefónica in the countries where it operates, and using the anonymous and aggregated information on

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network use by customers, will enable the company to anticipate possible incidents and black spots, among other things. In this way, proactive actions can be identified which when applied will guarantee better use of services, predictive maintenance, network optimization and quicker, more tailored and effective responses to customers who have a technical issue.

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Prior to this, you will be able to see how it works at Telefónica's stand at this year's Mobile World Congress in Barcelona, located at [Hall 3, Stand 3J20]. For this, the company will have a specific demo which will demonstrate in real time the quality of service experienced by the company's customers who attend MWC. This is achieved by using anonymous and aggregated information. Among other things, the demo will allow us to show in real time how preventative actions are automatically planned, providing the customer with a seamless experience.

The initiative is aligned with Telefónica's new strategic plan to become an *Onlife Telco* which allows people to choose a whole world of infinite possibilities. In this regard, Telefónica's Global CTO, Enrique Blanco, has underlined that "connectivity is the oxygen of digital life and that is why for Telefónica it is vital that we provide customers with excellent connectivity, which means guaranteeing that they can be always connected, in any place and from any device, with the highest quality".

Additionally, the new management model centred on customer experience perfectly complements Telefónica's position as leader in responding to the customer's demands, thanks to the investment efforts made in the last few years to transform its fixed and mobile networks. In fact, Telefónica has invested some 9,000 million euros in CapEx over the last few years, of which over three quarters – excluding spectrum— is dedicated to projects for the transformation and growth of the network.