TELEFÓNICA IN NUMBERS 2018

Telefónica is one of the largest telecommunications companies in the world by market capitalization and number of customers providing an attractive offer and quality of connectivity that is delivered over world class fixed, mobile and broadband networks.

We run operations in 16 countries, split into two geographic regions: Europe and Latin America. We have 356 million customers, including 270 million mobile customers, nearly 13 million fiber and cable customers and more than 8 million pay TV customers. Telefónica employs 120,138 employees.



48.7 l20,138 billion euros of revenue employees 16 356 countries in which we operate 356 2010 2013 Acquisition of controlling stake in Vivo Disposal of Telefónica Stakes in Central America (4 countries) 2016 2018 Sale of Telxius stake to KKR (closing 2017) Sale of Telxius stake Disposal of Antaree

History_

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Telefónica is	the 19	990	1999	2000	2	2005 20	10 20	13	2016	2018	
result of 95 of anticipation transformat	years En on and (C	ters in Chile IC) and gentina (TASA)	Telefónica becomes a fully public company	Launch of opera to gain full cont Argentina, Perú	rol in a	fČesky of c	ontrolling Sta	oosal of Telefónica kes in Central erica (4 countries)	Creation of Telxius sale of minority st to KKR (closing 20	ake to Pontega	adea.
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1924	1987	1994	1998	2003	2004	2000	5 2012	2014	2015	2017	2019
Telefónica (CTNE) is founded in Madrid	Lists on New York Stock Exchange	Enters in Perú (TdP)	Wins the tender for Telesp (Brazil)	JV with Portugal Telecom in Brazil - Vivo	Acquisition of Bellsouth's LatAm assets	Colombia Telecor	n Telefónica Deutschland 2 y	a Telefónica Czech	Disposal of Telecom Italia stake Acquisition of DTS (Canal +) in Spain and of GVT in Brazil	Telefónica increases stake in Telefónica Deutschland from 63.2% to 69.2% via swap agreement with KPN	Announced sale of Central America

Key Management_



JOSE MARÍA ÁLVAREZ-PALLETE Chairman and CEO, Telefónica S.A.

Appointed April 2016 He joined Telefónica in 1999 and has held a variety of roles including CFO of Telefónica Internacional and Group CFO. Before becoming Chairman and CEO, he was the regional Chairman for both Latin America and Europe, and Group Chief Operating Officer. He joined the Board of Telefónica in July 2006.



ANGEL VILÀ BOIX

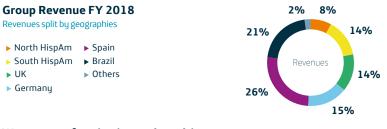
Chief Operating Officer, Telefónica S.A. Appointed July 2017

He joined Telefónica in 1997 and has held positions within the Group as Controller, Head of Corp. Development, Chief Financial and Corp. Development and Chief Strategy and Finance Officer. He sits in the Board of Telefónica since July 2017 and is Trustee of the Telefónica Foundation.

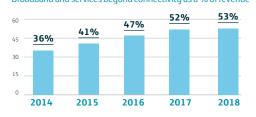
Other members of the Executive Committee

Pablo de Carvajal (General Counsel & Regulatory Affairs), Laura Abasolo (Chief Finance and Control Officer), Eduardo Navarro (Chief Comms, Brand, Public Affairs & Sustainability Officer), Enrique Lloves (Strategy and Corporate Development), María García-Legaz (Chief of Staff), Chema Alonso (Chief Data Officer), Marta Machicot (Chief People Officer), Guillermo Ansaldo (Chief Global Resources Officer), Mariano de Beer (Chief Commercial Digital Officer), Alfonso Gómez (Telefónica Hispam Norte), Bernardo Quinn (Telefónica Hispam Sur), Christian Gebara (Telefónica Brazil), Emilio Gayo (Telefónica España), Mark Evans (Telefónica UK), Markus Haas (Telefónica Deutschland).

Unique diversification portfolio in the industry_



We are transforming into a data-driven company Broadband and services beyond connectivity as a % of revenue



Telefónica in figures_

Million euros	FY 2018	FY 2017
Revenues	48,693	52,008
OIBDA*	15,571	16,187
OIBDA Margin	32%	31.1%
Capex	8,119	8,697
Net income	3,331	3,132
EPS	0.57€	0.56€
FCF	4,904	4,947

(*) OIBDA: Operating Income before Depreciation and Amortisation

Financial Outlook_

Operating 2019 Guidance (Organic)

Revenues	Growth of around 2%
OIBDA margin	Growth of around 2%
CapEx/ Sales ex-spectrum	Around 15%

Credit Ratings

	Long Term	Perspective
Moody's	Baa3	Stable
Fitch	BBB	Stable
S&P	BBB	Stable

Telefónica offers an attractive stable and sustainable dividend







Our business model

Telefónica is a company of smart platforms, laying digital services and artificial intelligence on top of our world class infrastructure and IT Systems to **enhance customer experience and become more efficient**.



4th platform	Cognitive power	This platform harmonizes all our customer data to help create better experiences for them thanks to artificial intelligence tools. It allows us to stablish a more natural and simple way to interact with customers under the principles of transparency, security and control of their data.
3rd platform	Products and services	With this platform Telefónica aims to offer our customers the most innovative and best-in-class products (video, cloud, Big Data and security) as well as aggregate third party services.
2nd platform	IT & Systems	This platform contains our support systems and commercial systems. It drives end-to-end digitalization and makes us a real-time, automated and customer-oriented Company. 65% of the processes are digitalised and managed in real time.
1st platform	Physical assets	It includes all of our physical assets from networks and base stations to stores or customer equipment. This platform is everything that makes us relevant. Telefónica is leader in fiber, both in Europe and Latin America, with more broadband customers in fiber/cable (61%) than copper.



Awards and recognitions 2018_

• Rating AAA

MSCI 🔠

 Fortune's Ranking Telefónica voted best European telecom company in "The World's Most Admired Companies 2018". • CDP. Telefónica is on the "A List" of the Carbon Disclosure Project for its strategy, transparent management and initiatives aimed at responding to climate change.



• Telefónica is part of Bloomberg Gender-Equality Index (GEI) • Financial Times. Telefónica is among Europe's 100 digital champions.

