

30/09/2009

## TELEFÓNICA DRIVES FOURTH GENERATION MOBILE TECHNOLOGY BY COMMISSIONING SIX ADVANCED PILOT TRIALS

- The company chooses six different providers to test their respective LTE technologies in six countries, taking advantage of Telefonica's geographic scale
- The trials include laboratory tests and the installation of e-node Bs in the field

**Madrid, 30th September 2009.** Telefónica has reached an agreement with six LTE technology providers to launch the test projects in six different countries with the view to rolling out fourth generation networks in the different regions where the Company operates. This project, coordinated globally and underpinned by the advantages afforded from the Company's geographic scale, forms part of the process for selecting technology partners in LTE networks, the rollout of which Telefónica aims to be prepared as far in advance as possible, in line with its status as the international leader in innovation.

The suppliers Telefónica has chosen so far -Alcatel-Lucent, Ericsson, Huawei, NEC, Nokia Siemens Network and ZTE- will start rolling out the equipment necessary for testing the technology during the coming months, to get an advance look at its behaviour in the field. The project, opened to other suppliers, will take place over six months and will consist of field tests and the installation of e-node Bs.

This plan will help Telefónica determine its fourth generation mobile network strategy, defining its needs and predicting the execution times for roll out and marketing, maintaining its standards of technical and innovative leadership in the products and services offered by Telefónica to its more than 264 million customers.

“At Telefónica we are working with the conviction that we can only offer our clients the maximum levels of quality and innovation. To do this, we are defining our strategy and the rollout of LTE with the objective of driving mobile broadband and offering the best service from the moment that the equipment and terminals can support the new standards and are available for sale”, explained Julio Linares, COO of Telefónica.

LTE has been developed using current 3G technologies, has been normalised by global standardisation bodies (3GPP) and promises to become the most widely accepted mobile telephony standard at international level, which will lead to greater economy of scale than current systems.

Telefónica will be able to offer peak speeds of up to 340 Mbps in ideal conditions and increase its networks' capacity to offer broadband mobile services. Among other advantages, LTE allows more flexible spectrum management, increased efficiency through greater operating automation and the massive adoption of the most technologies, as the case of MIMO.

With the adoption of this technology, Telefónica intends to complement its mobile broadband offer, increasing the features of services requiring wider band. The implementation of LTE will be subject to the availability of equipment to customers (datacards and later on, telephones) and the spectrum required to be able to provide services with this new technology.

The countries selected for testing are Spain, the United Kingdom, Germany and the Czech Republic in Europe, and Brazil and Argentina in Latin America. The most recent public demonstration of LTE technology by Telefónica took place in April in Madrid. It consisted of the first VoIP call, in a videocall using an LTE mini-network installed by Ericsson, in a videoconference, and successive downloads of data and images at transfer speeds in excess of 140 Mbps, about 10 times faster than current 3G networks using HSPA technology.