

Telefónica opens offices in 15 new European countries and launches new Web Portal to support Multinational Corporations

- Telefónica expands network reach into 15 European countries outside its current footprint reinforcing capabilities to serve Deutsche Post DHL and its other Multinational customers in the region
- Enhanced service portfolio including Service Management Centre and Central Services Platform
- Telefónica launches new MNC online experience at www.multinationalsolutions.telefonica.com

Madrid, Spain and London, UK – 14 September 2009 Telefónica has opened new operational units in 15 European countries to further enhance the integrated telecommunications services it offers Multinational Corporations across the region. As well as strengthening its international network capabilities, Telefónica today also unveiled a new suite of solutions for corporate customers, including the new Telefónica Multinational Solutions web portal, now live at: www.multinationalsolutions.telefonica.com.

Matthew Key, Chairman and CEO of Telefónica Europe, said: “Telefónica’s global capabilities allow us to quickly and efficiently deliver both fixed and mobile solutions to multinational corporations anywhere in the world. The new offices and network infrastructure being deployed in Europe, supported by a new online experience and enhanced products and services, reinforces our commitment to this strategically important market segment. Telefónica is making good progress and is executing in line with the strategy to expand presence and services to corporate customers already announced in December 2008.”

Telefonica is reinforcing and extending its global IP MPLS backbone across countries identified as of strategic importance to Multinational Corporations in Europe. The roll-out includes the provision of the following services: wide area network connectivity (WAN), centralised Internet access, local-area network (LAN) such as wireless LAN, fixed voice, mobile voice and data, as well as managed security.

The new offices and network infrastructure are being deployed by Telefónica International Wholesale Services. Offices in France, Belgium, Greece, Italy, Netherlands, Portugal, Sweden, Denmark, Estonia, Poland, Hungary, Switzerland, Austria, Romania and Bulgaria where Telefonica had no presence up until now are fully set up. This will further reinforce service provision for existing and future Multinational Corporation customers.

In January, Deutsche Post DHL and Telefónica announced that the German logistics company had selected Telefónica to manage its communications services across 28 European countries over the next five years to help it save more than €150 million in costs over the period.

This is aligned with the continuing development of integrated telecommunications solutions and European expansion announced in December 2008 to further enhance the service provision for Multinational Corporations and other corporate customers with international needs across the region.

The new **Telefónica Multinational Solutions** web portal has been specifically designed to place the customer at the centre of the online experience. It embodies a refreshing approach to the market featuring a case study led customer journey, clearly demonstrating the way in which Telefónica is working with customers to realise opportunities to drive positive incremental business improvements. The portal focuses on important customer 'pain points' utilising both the case studies and clear benefit led language to effectively communicate dynamically with this strategically important market segment. MNC's visiting the portal are encouraged to contact Telefónica, underpinning a two way dialogue approach.

In addition to developing clear communication channels Telefónica continues to invest in the expansion of its network across Europe and its product and service portfolio, complementing its vast current capabilities in Latin America.

Further to the network investment, extensive progress has been made with regard to the delivery of an enhanced Service Management Centre to support fixed and mobile services according to the needs of our Multinational Customers. A Central Services Platform has been developed, , delivering:

- Telecom expense management
- Central reporting
- SLA management
- Central management of systems and infrastructure
- Device management
- Trouble ticketing
- Asset management
- Online ordering
- Customer portal

Matthew Key added: "Providing a personalised customer service is an important aspect of Telefónica's value proposition to MNC customers. The new service management functionality available in Europe is a competitive key differentiator that we can offer to our customers."

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About Telefonica

Telefónica is one of the largest telecommunications companies in the world in terms of market capitalisation. Its activities are centered mainly on the fixed and mobile telephony businesses with broadband as the key tool for the development of both. The company has a significant presence in 25 countries and a customer base that amounts to 264 million accesses around the world. Telefonica has a strong presence in Spain, Europe and Latin America, where the company focuses an important part of its growth strategy. Telefónica is a 100% listed company, with more than 1.5 million direct shareholders. Its share capital currently comprises 4,704,996,485 ordinary shares traded on the Spanish Stock Market (Madrid, Barcelona, Bilbao and Valencia) and on those in London, Tokyo, New York, Lima, Buenos Aires and São Paulo.

About Telefónica International Wholesale Services

Telefónica International Wholesale Services, an organisation within the Telefónica Group, is the leader of the wholesale telecommunications market, providing global telecommunications services to fixed and mobile operators, ISPs and content providers. Its catalogue of services includes Voice, Capacity, IP, Satellite, Corporate, and Mobile services. Its extensive network of fibre optic and Tier 1 IP Backbone, with a foothold in more than 40 countries, handles more than 1 Tbps of IP traffic and carries more than 20,000 million international voice minutes yearly over its NGN network. Telefónica Wholesale offers its customers a wide range of services, as well tailor-made solutions to all their international needs. For more information, visit

<http://www.telefonica-wholesale.com/en/index.html>

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