Telefónica:
Delivering sustainable growth

London, June 8th, 2010

Telefonica, S.A.

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This presentation includes certain non-GAAP (Generally Accepted Accounting Principles) financial measures which have not been subject to a financial audit for any period.

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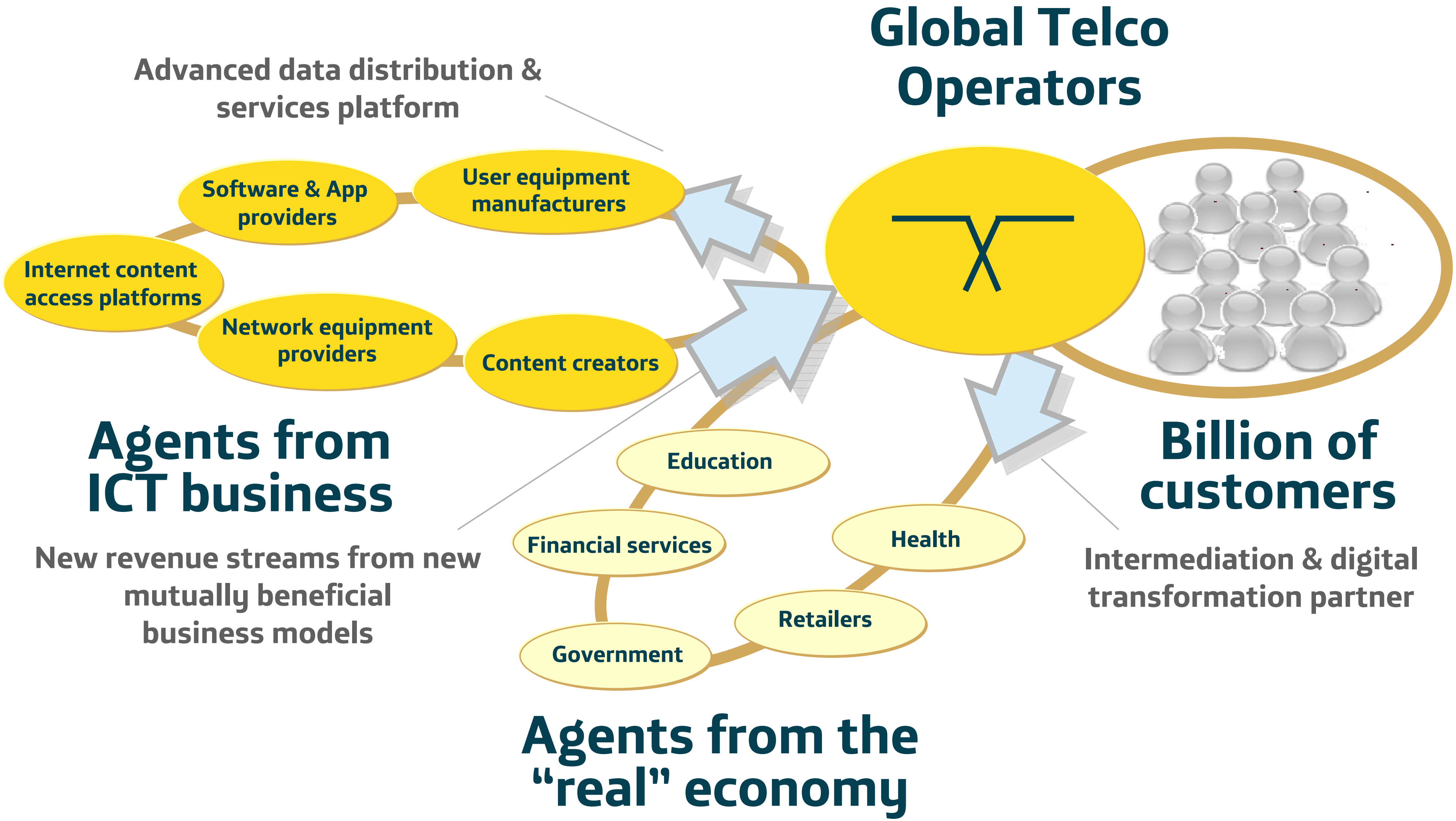
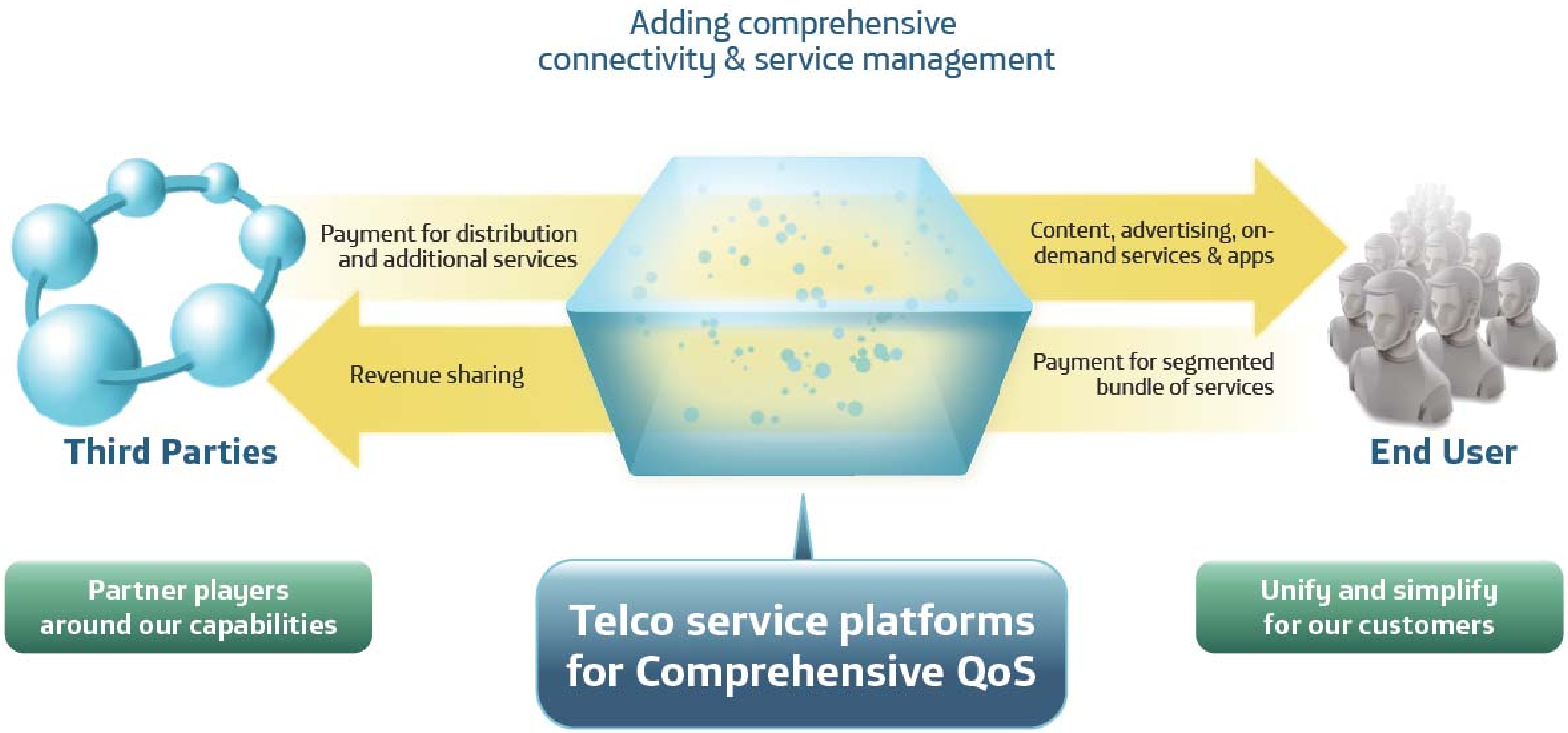
01 In the new digital world, advanced global operators are key to build new value proposals



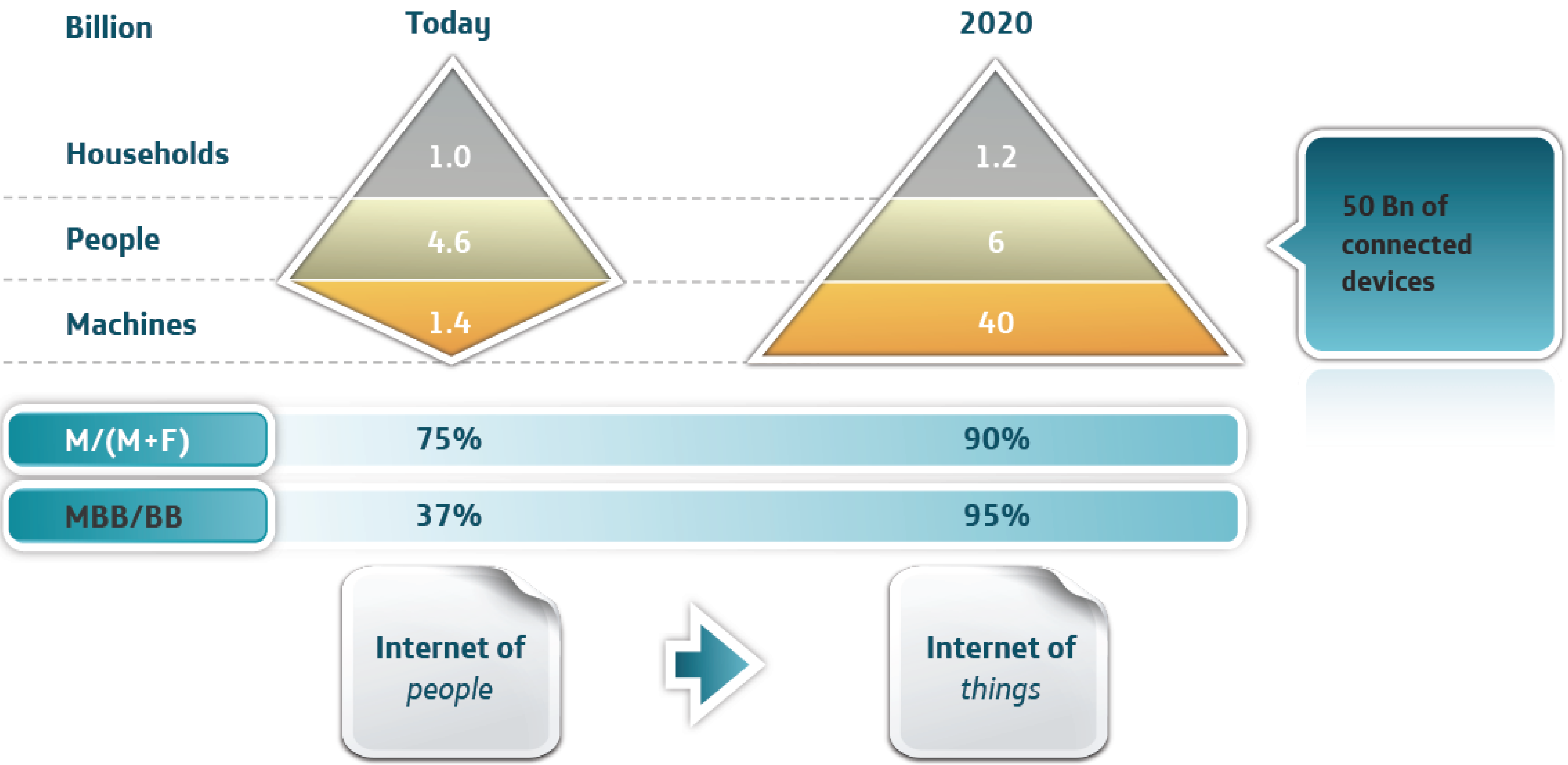
01 Service platforms enable a new wave of revenues

Beyond applications: Advanced platforms for quality service delivery



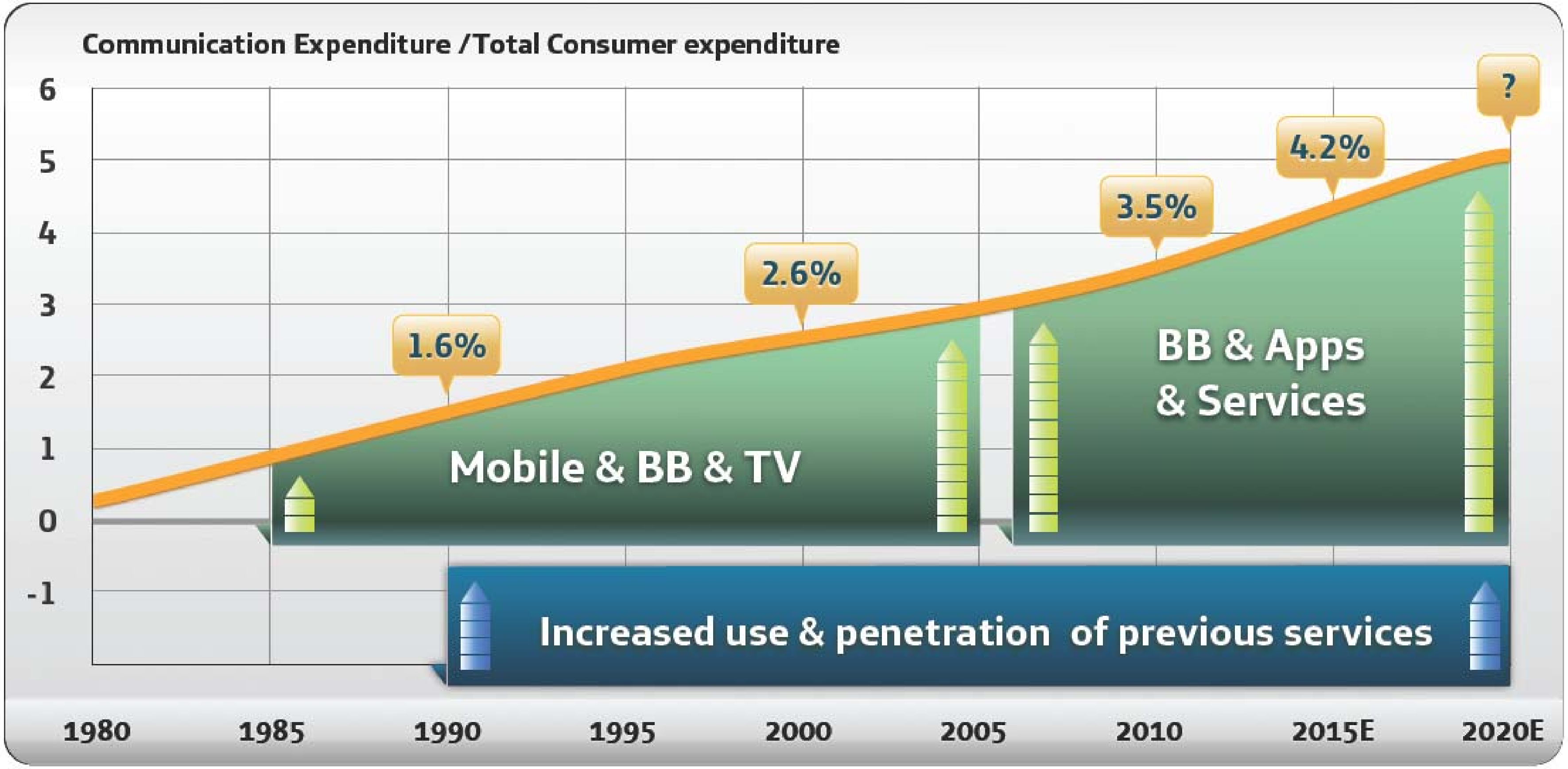
01 Our scale and value chain positioning places us as the partner choice in the new digital ecosystem to build high potential intersectorial alliances with every sector

01 Communication demand will keep growing



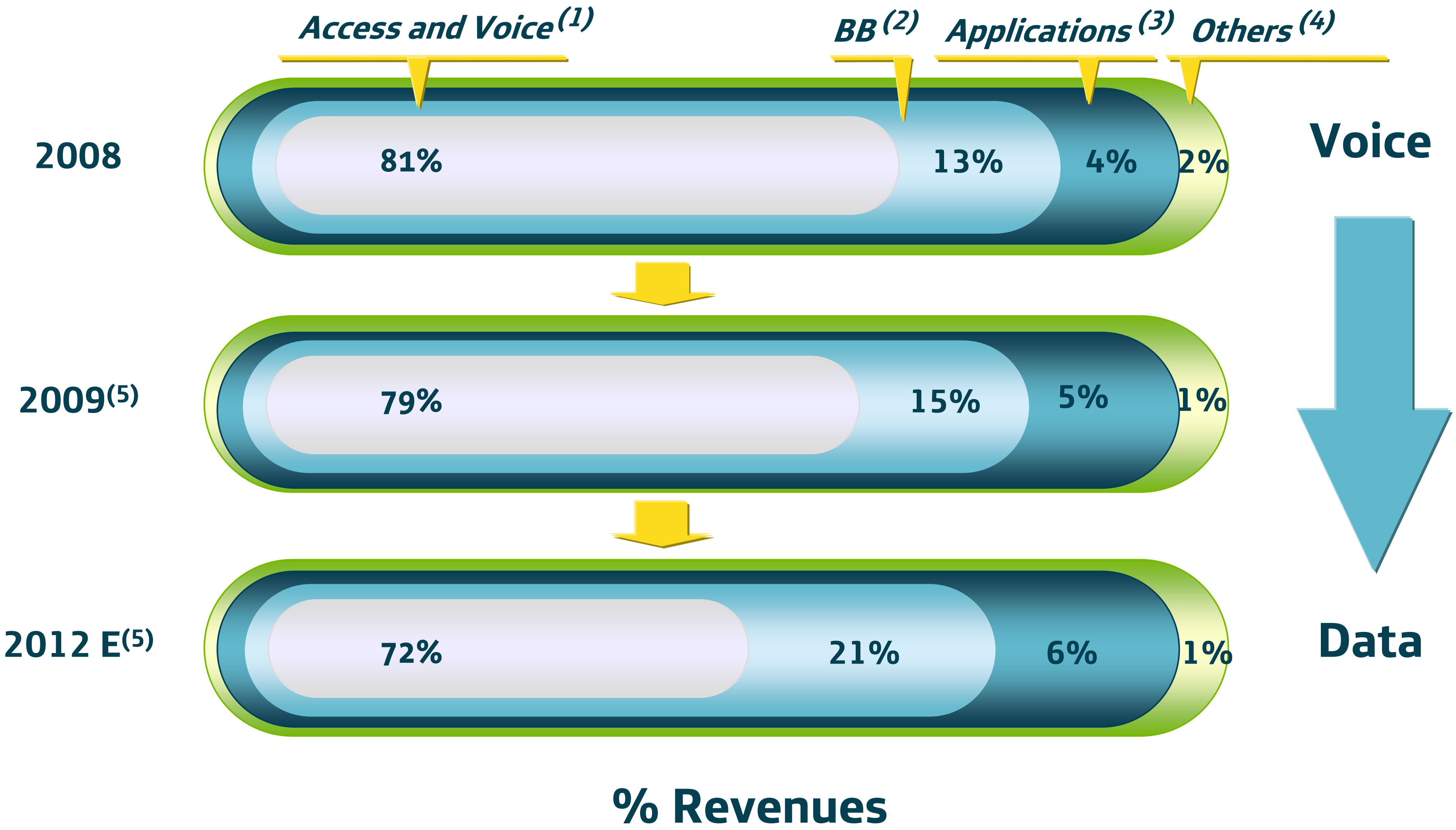
Source: Ericsson, *LTE Webinar* October 2009 & *Vision 2020* December 2009.

01 New digital applications and services will accelerate this trend, increasing ICT share in consumer's wallet



Source: Worldwide. Euromonitor international. Bain Analysis.

01 We see a larger business with a change of mix in Telefónica



(1) Access & Voice: Fixed and mobile access and voice (SMS included), fixed and mobile equipment, narrowband Internet and M2M revenue.
(2) BB connectivity (MBB & FBB). FFB connectivity: (DSL, FO, cable modem, …), fixed data services, retail and wholesale and equipment. MBB connectivity: Big & Small Screen, mobile e-mail, and WAP browsing revenue.
(3) Apps and New Business: TV, ICT solutions, online advertising (e-Commerce, Terra), MBB VAS (Mobile content / Application downloaded), other FBB VAS, new growth sources and other digital content service revenue.
(4) Revenues from subsidiaries and other companies.
(5) Assuming constant exchange rates as of 2008 (average FX 08) and excludes changes in consolidation.

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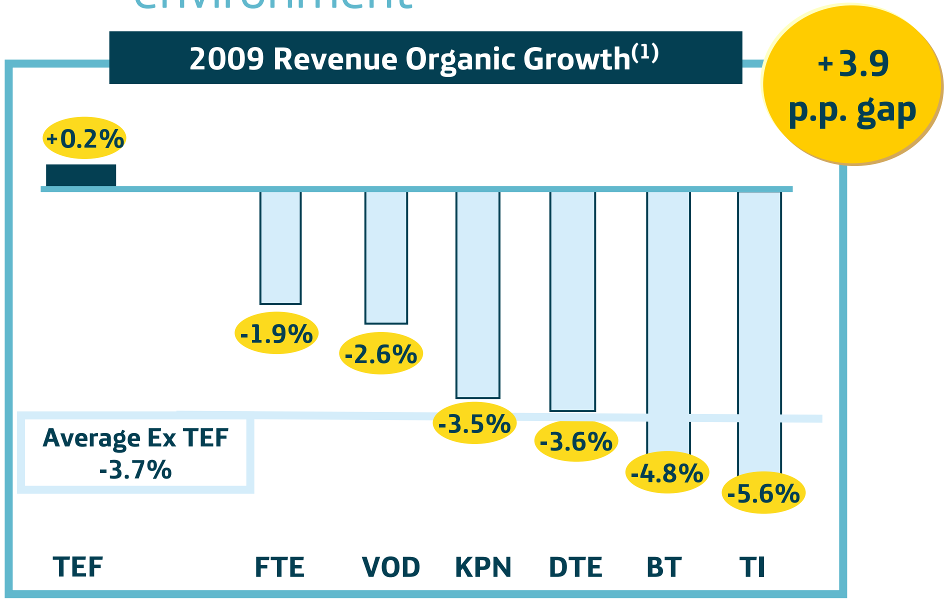
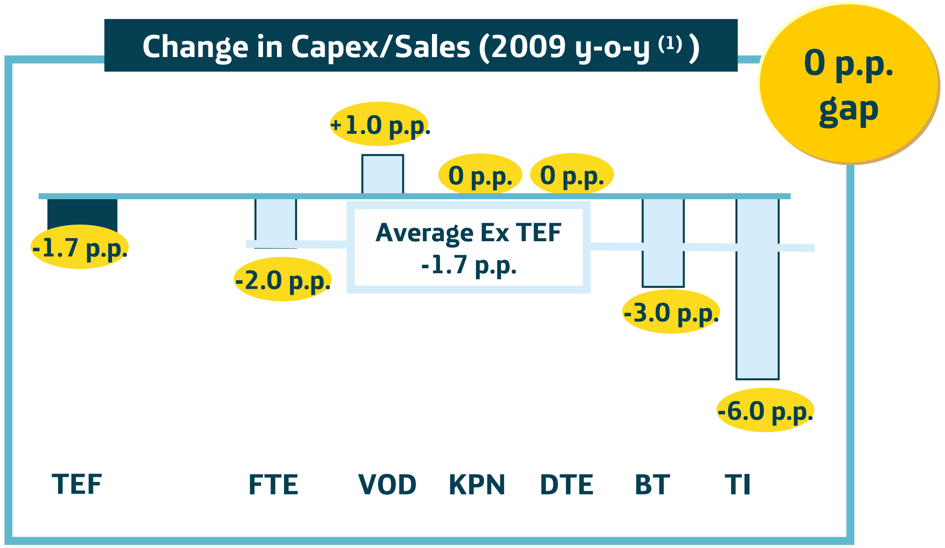
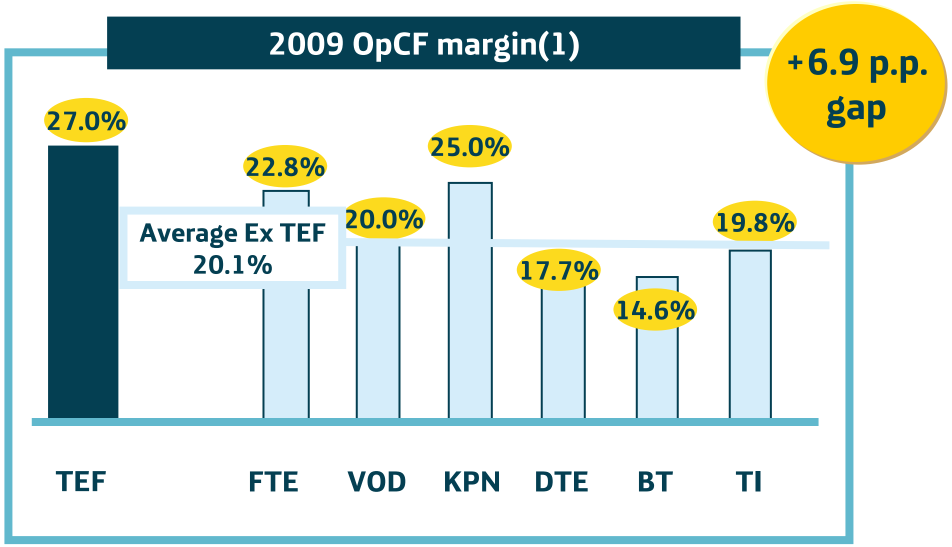
02 We have maintained our superior performance despite a very challenging environment



- Despite the adverse economic environment in Spain, we have maintained our growth gap vs. the sector…
- … while maintaining our benchmark cash flow generation and keeping investment in future growth

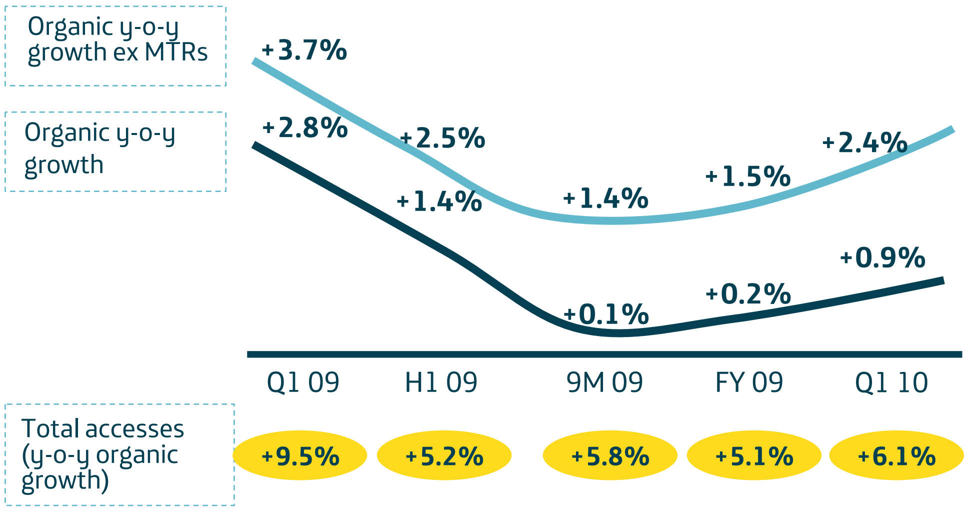




(1) Source: Telefónica and Deutsche Bank (European Telecom Services. Incumbent operator trend analysis Q4 09, March 2010).

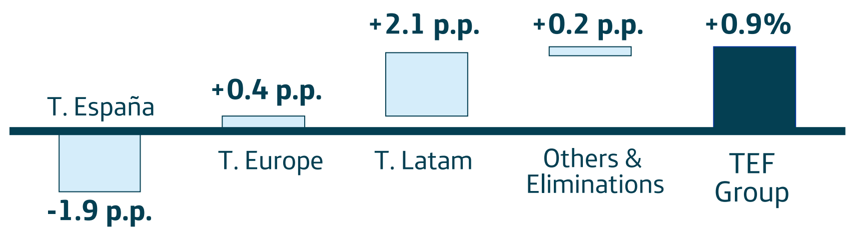
02 Distinctive top line performance

Revenue growth acceleration for the 2nd quarter in a row

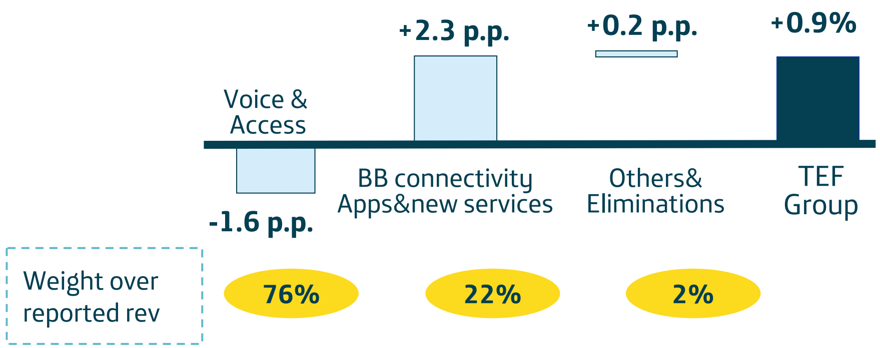


- **Top line growth drove superior OpCF:** € 3,923 m
- **Efficiency ratio improved** 1.0 p.p. y-o-y to 74.5% in Q1 10

Q1 10 Revenue by region
(contribution to organic growth y-o-y)



Q1 10 Revenue by mix of services
(contribution to organic growth y-o-y)



Organic growth revenues assumes constant exchange rates as of Q1 09 (average fx) and excludes the consolidation of HanseNet (since mid February) and Jajah (January-March) in 2010. Telyco Morocco results are excluded in January-March 2009. It excludes hyperinflationary accounting in Venezuela in both years.
Organic growth accesses excludes Medi Telecom customers in 2009, HanseNet in 2010 and includes Telemig as of January 1st, 2008.
Efficiency ratio: Defined as last twelve months (OpEx+CapEx- Internal exp. Capitalized in fixed assets)/Revenues. CapEx excludes the acquisition of spectrum and Efficiency Program at T. España.

We have already set the bases for future growth

- Geographical & Business **DIVERSIFICATION**
- Strong **GROWTH POTENTIAL** in our markets

CAGR 08 – 12 E number of accesses and traffic

Telefónica markets [1]

FBB[2] +10%

Fixed +0%

MBB[3] +70%

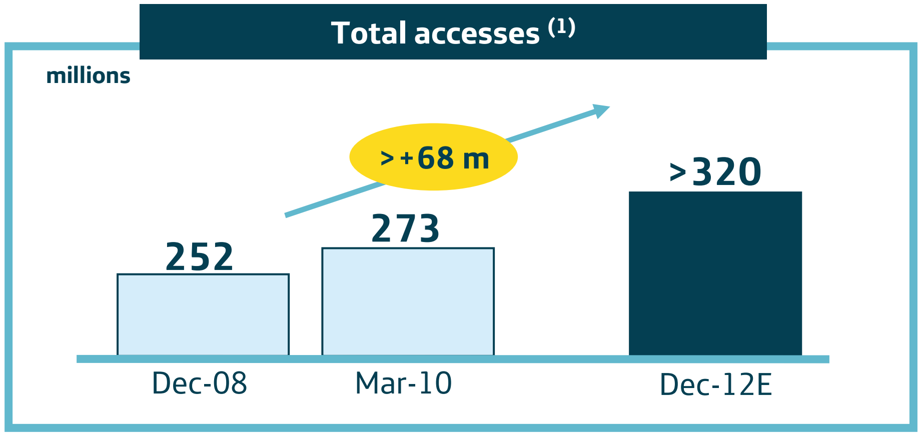
Mobile +4%

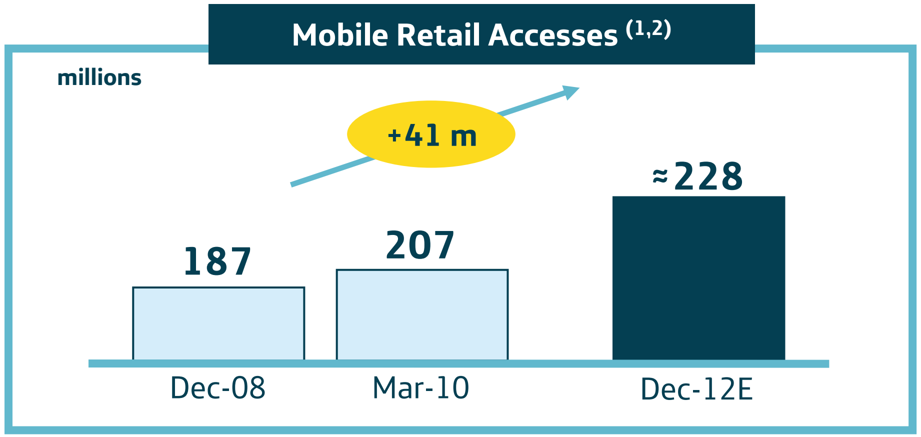
Traffic +46%

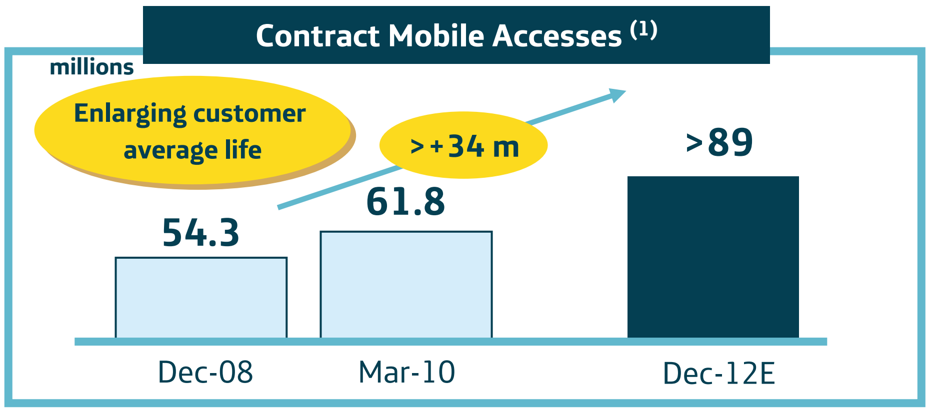
Broadband everywhere
Access to support broadband
Traffic explosion

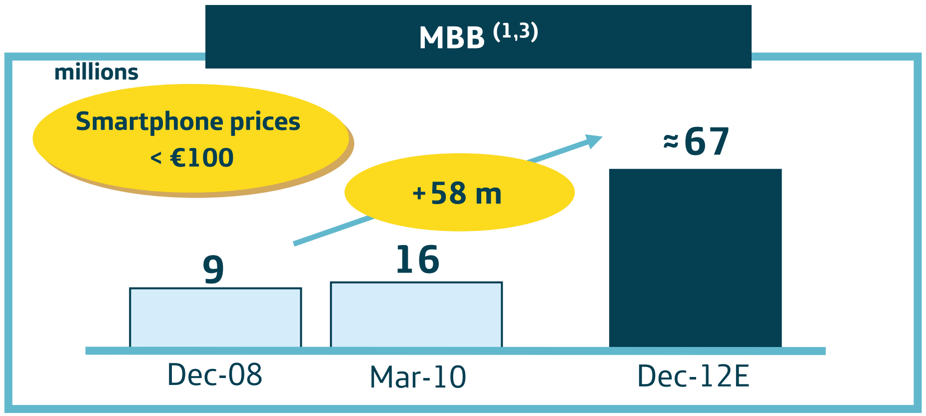
(1) Telefónica Markets: Total markets from Telefónica footprint.
(2) FBB: Fixed Broadband.
(3) MBB : Mobile Broadband. Growth considers only Big Screen.

02 Growing our customer base & improving its quality









- **+10 p.p. growth in the weight of contract customers by Dec-12E** vs. Dec-08 (Telefónica Group)
- Contract ARPU(4) 4.5x prepay one in 2009, with better y-o-y evolution (Telefónica Group)

- **MBB growth mainly driven by Smartphones**
- ARPU of Smartphones in Spain 1.7x contract ARPU(4) in 2009

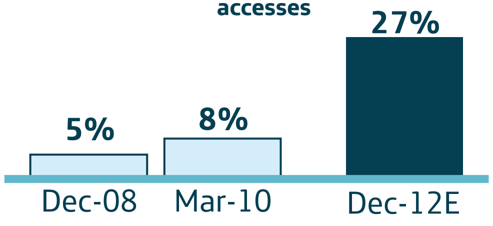
Variation 08-12E

(1) Morocco accesses excluded in 2008 for comparison reasons.
(2) Mobile Retail accesses: Mobile voice accesses, M2M and Small Screen are included.
(3) MBB accesses: Including Big and Small Screen.
(4) Contract ARPU excluding M2M.

02 Massive MBB development (i)

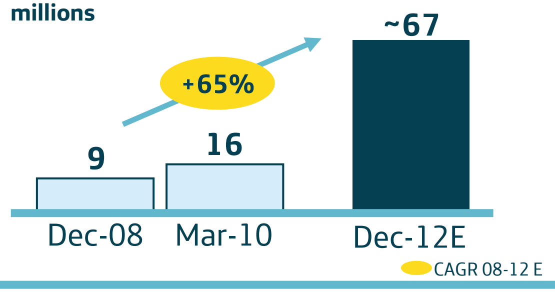
MBB (2) penetration

% Big and Small screen accesses over mobile accesses



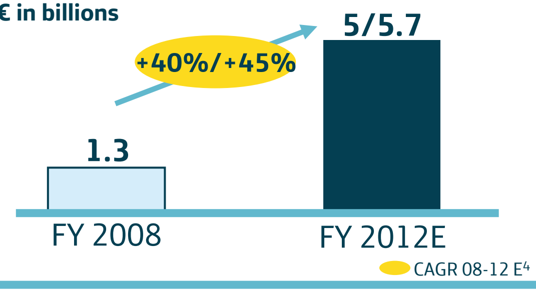
MBB accesses (2)

millions



MBB connectivity revenues (3)

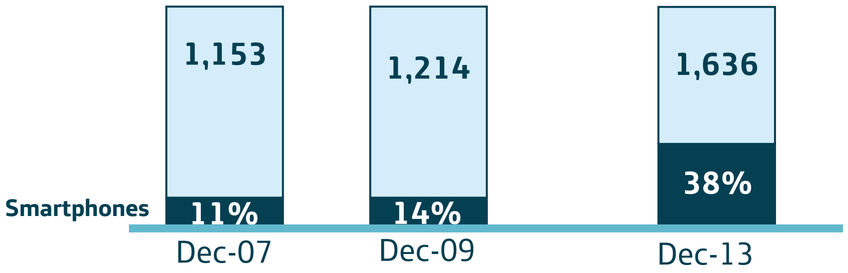
€ in billions



World mobile devices sales (1)

World; millions

Lead the small screen opportunity



>70m smartphones in Latin America(5) by 2012E(6)

- Competitive market pricing based on **tiered offers,** providing as much as possible on-demand:

- **Bandwidth**
- **QoS**
- **Volume**
- **Latency**
- **Peak – offpeak …**

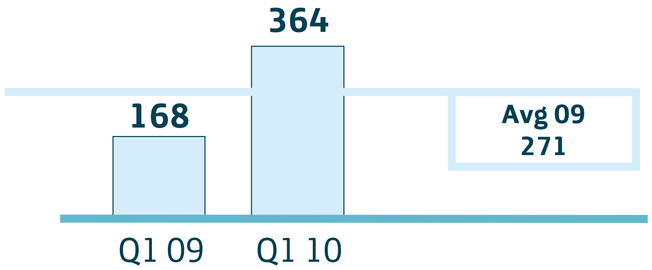
XaaS (7)

(1) Source: Gartner, "Forecast Mobile Devices World 2003-2013".
(2) MBB accesses: Including Big and Small Screen.
(3) MBB connectivity revenue: including Big and Small Screen, mobile email and WAP browsing revenues.
(4) Figures for guidance assume 2008 constant FX (average FX08) and exclude changes in consolidation.
(5) Smartphones includes High Tech.
(6) Telefónica estimates.
(7) XaaS: Everything as a service.

Massive MBB development (ii)

A reality even in a difficult environment: T. España

Wireless data rates net adds (000's) (1)



Data connectivity revenues (y-o-y change)

+50% **+68%**

2.3 monthly data flat rates in Mar-10 >x2 vs. Mar-09

+52% revenue growth in 2009

Tiered pricing in our markets: different customer needs, avoiding "all you can eat" tariffs

MEXICO (volume based)

Profiles	Allowance *	Price
Conecta	300 Mb	x
Navega	800 Mb	1.5 x
Descarga	5 Gb	2.2 x

**Fair usage policy rules applied. Additional modules are charged.*

SPAIN (Smartphone - traffic based profiles)

Profiles	Max. down speed	Allowance*	Price
Int. Móvil (IM)	1 Mbps	100 Mb	x
IM Plus	3 Mbps	200 Mb	1.5 x
IM Premium	3 Mbps	1 Gb	2.5 x

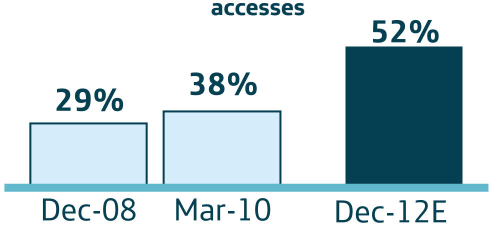
**Unlimited volume. Download speed reduces to 64 Kbps when allowance volume reached. IM Plus and Premium includes unlimited access to Telefónica WiFi hotspots*

(1) Monthly flat rates

02 Further FBB expansion through DSL upgrade and selective FO deployment

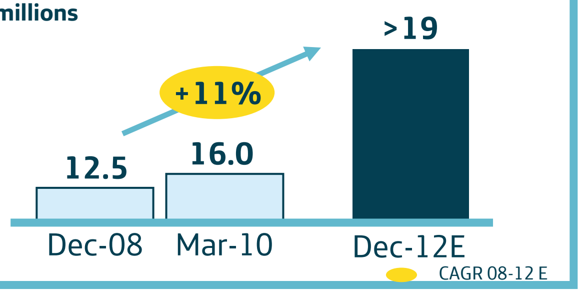
FBB (1) penetration

% FBB penetration: FBB accesses over fixed accesses



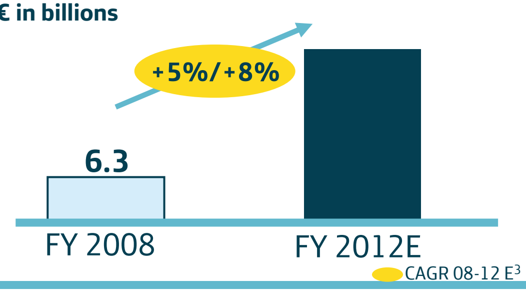
FBB retail accesses (1)

millions



FBB connectivity revenues (2)

€ in billions



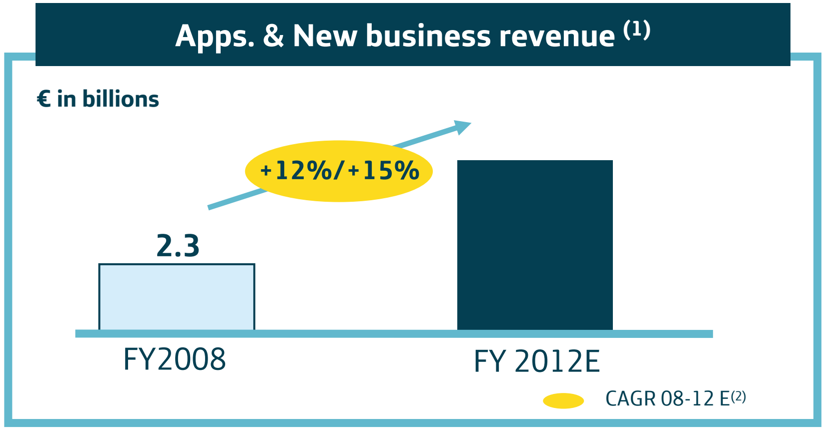
DSL:

- Expand BB markets; low coverage areas and low income segments
- Tiered offer including Premium at high speed (>10 Mbps)

- **Selective FO** deployment (speed>25 Mbps)
- **Bundles across segments**

Lines passed with > 25 Mbps in 2012 > x9 vs. 2008

(1) FBB retail accesses: Includes FO, DSL, Cable modem and satellite
(2) FBB connectivity revenue: Includes connectivity (DSL, FO, Cable Modem...), fixed data services, retail and wholesale and equipment revenue
(3) Figures for guidance assume 2008 constant FX (average FX08) and exclude changes in consolidation



Mobile Apps. Market from €6 bn to €17.5 bn in 2009-12[3]

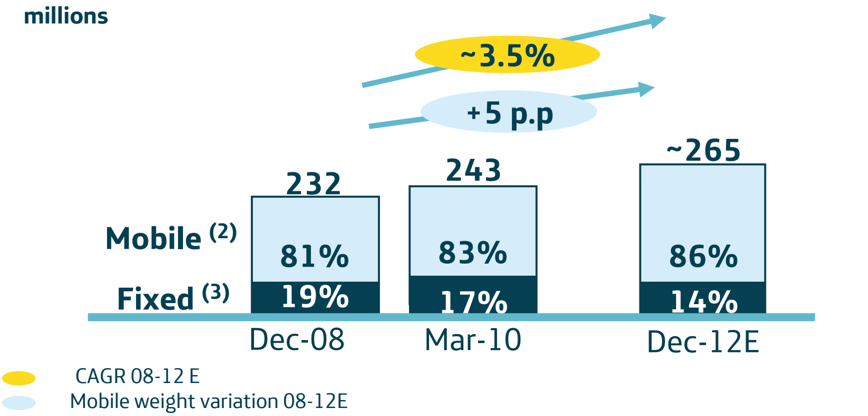
- **Mobile applications:** **>120m** Mobile applications downloaded in 2012E
- **Pay TV:** **>4.5m** Customers by 2012E vs. 2.3 m in December 2008
- **Digital Home** services
- **ICT solutions:** infrastructure alternatives, Cloud Computing, M2M, …..
- **New Business:** e-Finance, e-Health, e-Travel,e-Learning, e-Security,…

WAC

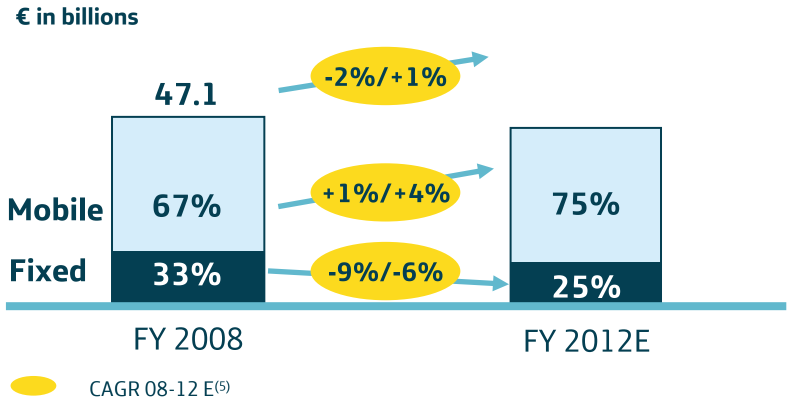
Open platform
Over 30 telco players
4 global suppliers
3 Bn mobile customers

(1) Apps. & New business revenue: TV, ICT solutions, on line advertising (e-Commerce, Terra), MBB VAS (mobile content/application downloaded), other FBB VAS, new growth sources and other digital content services revenue..
(2) Figures for guidance assume 2008 constant FX (average FX08) and exclude changes in consolidation.
(3) BofAML March 2010.

Retail accesses (1)



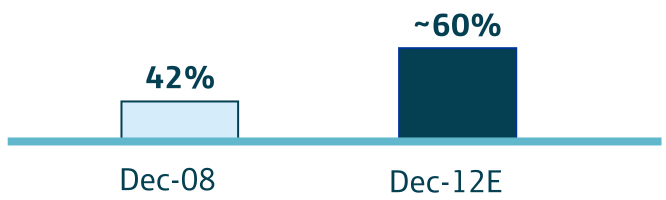
Access & voice revenue (4)



- **Bundle access** with fixed and mobile voice to retain fixed voice only customers
- Capture **mobile penetration growth** opportunities (LatAm)
- Foster **prepay to contract migration**
- Innovative **tiered price plans**
- Increasing **loyalty**

Bundles

% [1P+2P+3P+4P] over total fixed accesses (6)



(1) Morocco excluded in 2008 for comparison reasons.
(2) Mobile: Mobile voice accesses. M2M and small screen are included.
(3) Fixed: PSTN, Public Use Telephony, ISDN, Fixed wireless lines, self consumption, test and social interest lines, naked DSL, VOIP lines and narrowband internet accesses.
(4) Access & Voice: Fixed and mobile access & voice (SMS included), fixed & mobile equipment, narrowband internet and M2M revenue.
(5) Figures for guidance assume 2008 constant FX (average FX08) and exclude changes in consolidation.
(6) Ex-Public Use Telephony.

We will fully capture revenue growth potential in our markets

CAGR 08-12E[1]

MBB	+40%/+45%
Applications & new business	+12%/+15%
FBB	+5%/+8%
Traditional	-2%/+1%

Revenue Mix[1]

	Accesses & Voice[2]	BB connectivity[3]	Applications & new business[4]	Others[5]
FY 2008	81%	13%	4%	2%
FY 2012E	72%	21%	6%	1%

(1) Figures for guidance assume 2008 constant FX (average FX08) and exclude changes in consolidation.
(2) Access & Voice: fixed and mobile access & voice (SMS included), fixed and mobile equipment, narrowband internet and M2M revenue.
(3) BB connectivity (MBB & FBB). FBB connectivity: (DSL, FO, cable modem ...), fixed data services, retail and whole sale equipment. MBB connectivity: big and small screen, mobile email, and WAP browsing revenue.
(4) Apps. & New business revenue: TV, ICT solutions, on line advertising (e-Commerce, Terra), MBB VAS (mobile content/ application downloaded), other FBB VAS, new growth sources and other digital content service revenue.
(5) Revenues from subsidiaries and other companies.

02 Medium term guidance will lead to a sustainable growth and an even lower risk profile

	2008 Adjusted (2)	CAGR 08-12E (2)
Accesses (1) (millions)	252	>320
Revenues € in millions	57,946	+1%/+4%
OIBDA € in millions	22,602	+2%/+4%
OI € in millions	13,556	+4%/+7%
OpCF € in millions	14,201	+5%/+7.5% Cumulative 09-12E >€64 bn
CapEx € in millions		~ € 30 bn Cumulative 09-12E

> € 40 bn Cumulative FCF (3) FY 2009-2012E

(1) Morocco Accesses excluded in 2008 for comparison reasons.
(2) 2008 adjusted figures for guidance exclude Sogecable gain (€143 m) and the application of provisions made in T.Europe in respect of potential contingences deriving from the past disposal of shareholding, one these risks has dissipated or had not materialized (€174m), includes 9 months of consolidation of Telemig in T.Latam. Figures for guidance assume 2008 constant FX (average FX in 2008) and exclude changes in consolidation. In terms of guidance calculation OIBDA exclude capital gains and losses from sale of companies and write-offs.
(3) Free Cash Flow available to remunerate Telefónica´s shareholders, to protect solvency levels (financial debt & commitments), and to accommodate strategic flexibility. Figures assuming 2008 constant exchange rates (average exchange rates in 2008) and excluding changes in consolidation.

02 We have clear priorities for 2010

#1 Capturing top line growth prospects

- **Reinvesting efficiency gains to foster revenue expansion**
- **Higher CapEx to support growth in customers & volumes**

(€ in millions)	2009 Adjusted(1)	2010 Guidance(1)
Revenue	56,407	**+1%/+4%**
OIBDA	22,344	**+1%/+3%**
CapEx	7,262	**7,450/7,650**

€2.10 EPS target confirmed

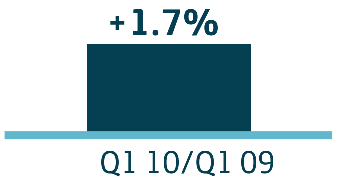
- On the back of the operating guidance provided, further efficiencies in taxes and financial costs and potential assets sales:
  - Interest expenses for 2010 are expected to be around 5.5%-5.75% (<6% guided in October 2009)
  - 2010 accrued tax rate is estimated at 25%-27% (vs. previous guidance of 27%-28%)
  - Continue to analyze value creation opportunities maintaining an active management of our non core asset portfolio

(1) 2009 adjusted figures for guidance exclude Telyco Morocco results in T. España, Medi Telecom capital gain and write-offs. 2010 guidance assumes constant exchange rates as of 2009 (average FX in 2009) and excludes hyperinflationary accounting in Venezuela in both years. It also includes 10 months of consolidation of Hansenet and Jajah in T. Europe. In terms of guidance calculation, OIBDA exclude capital gains and losses from sale of companies and write-offs. Group CapEx also excludes Real Estate Efficiency Program of T. España and spectrum licenses.

02 On track to meet 2010 guidance

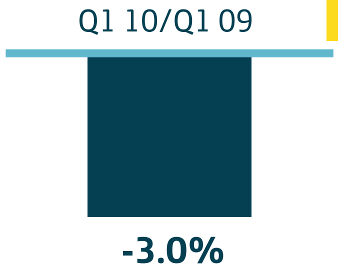
Revenue

2010 GUIDANCE
+1%/+4%



OIBDA

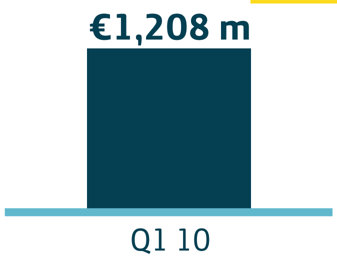
2009 GUIDANCE
+1%/+3%



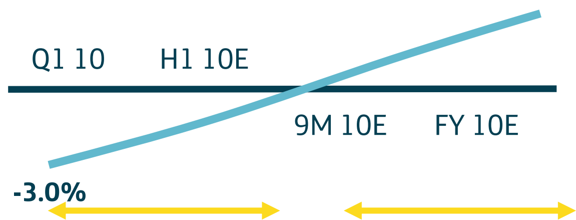
2010 EPS target confirmed (€ 2.1)

CapEx

2010 GUIDANCE
€7,450/7,650 m



OIBDA



- Restructuring in T. Europe (H1 10)
- Negative impact from MTRs cut in T. Europe
- TV Tax in T. España
- USO in T. España (Q1 09)
- Real Estate in T. O2 CR (Q1 09)

- Easier y-o-y comps in Telesp and Colombia
- Ramp up in commercial activity from Q3 09

2009 adjusted figures for guidance exclude Telyco Morocco results in T. España, Medi Telecom capital gain and write-offs. 2010 guidance assumes constant exchange rates as of 2009 (average FX in 2009) and excludes hyperinflationary accounting in Venezuela in both years. It also includes 10 months of consolidation of HanseNet and Jajah in T. Europe. In terms of guidance calculation, OIBDA exclude capital gains and losses from sale of companies and write-offs. Group CapEx also excludes Real Estate Efficiency Program of T. España and spectrum licenses.

02 We maintain our selective M&A approach

M&A Priorities

- **Spectrum auctions in current markets to foster growth:**
  - Germany & Mexico in H1 2010
  - Potential awarding process in Spain along 2010
- **In-market consolidation:**
  - Offer for PT's stake in Brasilcel
  - Hansenet acquisition closed on February 16th
- **Increase shareholding in China Unicom to 10%**

+

Continue capturing synergies from our Strategic Alliances

€740 m cash synergies[1] since Mar-08

- >670 million combined customer base[1]

(1) As of Mar-10

02 Offer for PT´s stake in Brasilcel

PT's 50% Brasilcel stake

- **Binding, unconditional and valid until June 30th, 2010**
- **Fully financed and no execution risk**
- **Contemplated subsequent tender offer over Vivo ON shares at 80% of the price offered for PT's ON shares**

Alternative A	Alternative B
▪ **€6.5bn cash offer for PT's stake in Brasilcel** ▪ Closing within 60 days of acceptance	▪ **€6.5bn cash offer for PT's stake in Brasilcel** 1 ▪ €2.17bn cash for 1/3 of PT's stake in Brasilcel ▪ Closing within 60 days of acceptance + 2 ▪ Put option allowing PT to sell its remaining stake for a total cash consideration of €4.33bn over 3 years from acceptance ▪ Put to be exercised in minimum tranches of 10% ▪ Brasilcel to pay annual dividends to PT representing 5% of remaining consideration, for a maximum period 3 years ▪ Closing with 60 days of delivery of put notice

TEF's stake in PT

- **Call option allowing PT to buy TEF's shares in PT representing approximately 8.5% of PT share capital**
- **TEF to use reasonable efforts to ensure its additional 1.5% stake is also transferred to PT if call is exercised**
- **Call at market price with exercise date to depend on Alternative selected**
- **Option valid for a maximum of 3 years from acceptance**

TEF's acquisi-tion of Dedic

- **TEF to buy Brazilian call centre activities from PT (Dedic S.A., FY 09 operating revenues of R$402m)**
- **Price to be agreed between TEF and PT following due diligence or through a process involving international investment banks**

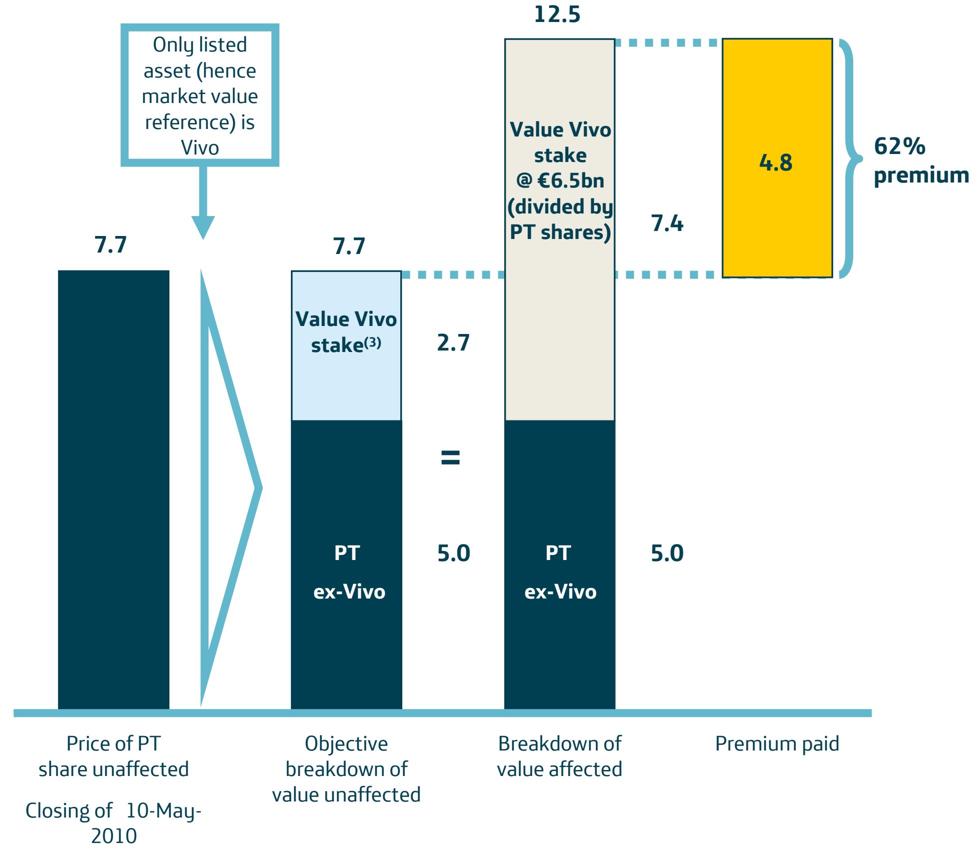
Addressing PT's concerns

02 Offer for PT´s stake in Brasilcel

Merits of the offer

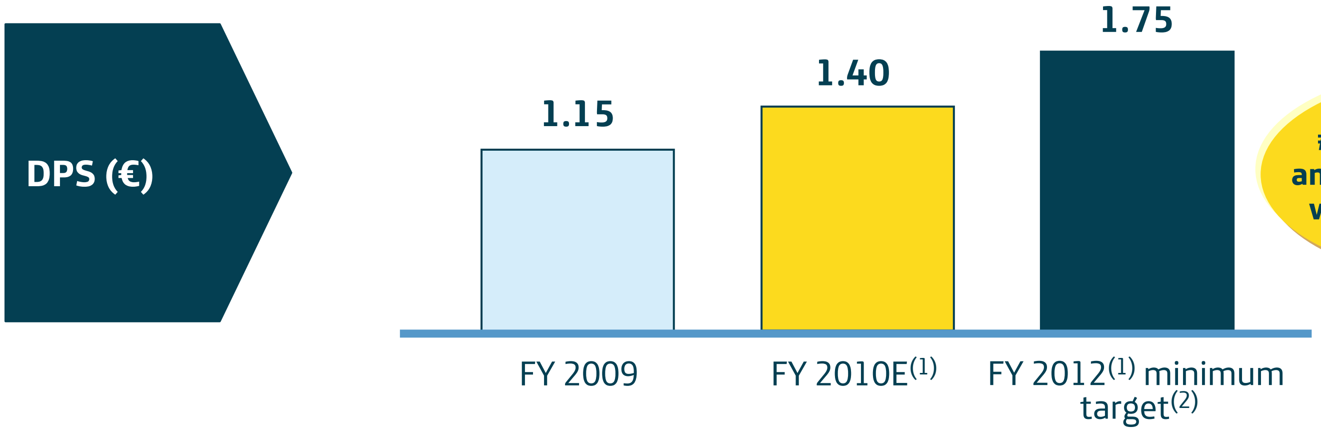
- **The offer addresses PT's management and shareholders concerns:**
  - Outstanding price
  - Ability for PT to exit gradually while keeping full flexibility
  - Flexibility for PT to buy TEF's stake in PT
  - PT will maintain presence in Brasilcel's Supervisory Board
  - PT services to Vivo addressed through Service Period
- **Outstanding value for PT's stake in Brasilcel:**
  - 179% premium over market price at the time of Telefonica's first offer (1)
  - Implies a potential upside of over 60% to PT's share price (2)
  - Unique value for PT not achievable on a standalone basis

TEF'S 1st June €6.5bn offer – premium paid (on €/share)



(1) Based on average market price 1M pre first offer
(2) Based on PT's undisturbed price as of 10 May 2010
(3) Based on closing price on 10 May 2010 divided by PT shares

02 Dividend commitments are supported by our FCF generation



#1 on Dividend Yield among top 50 companies worldwide by Mkt Cap

- **DPS targets reiterated**
- **Dividend is well covered**
- **No dependence on cash repatriation from any particular country in Latin America**

Tactical share buybacks to be considered for FCF excesses

- **0.6% of capital held in treasury**
- **Derivatives on 150 m shares as of 31/12/09**

(1) It is Company´s intention to maintain its current practice so that dividends will be payable in two tranches.
(2) Targeted under current guidance hypothesis.

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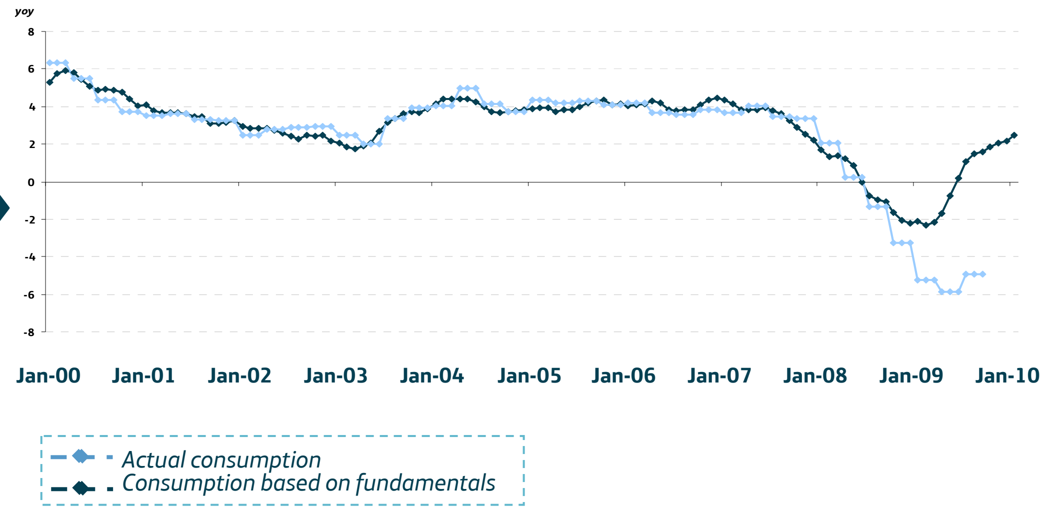
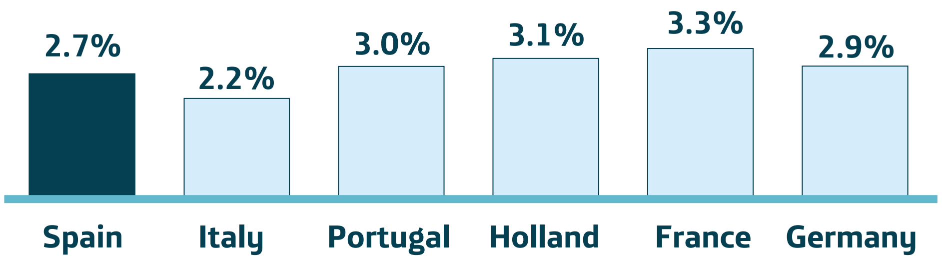
Consumption growth (%)



Spain: consumption growth far from fundamentals

Household consumption in communications
(% of total spending) (2)



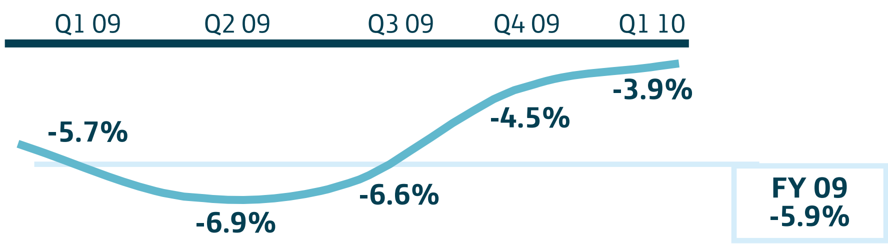
Below the European average

Number of households:
+226K in 2009

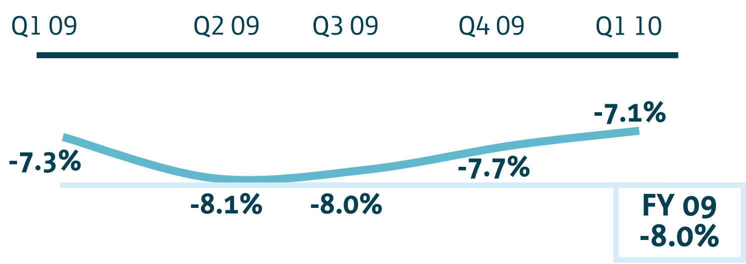
(1) Analysts' consensus for 2010 forecasts.
(2) Eurostat's Home Budged Survey, 2005.

T. España: continued top line recovery

Revenues
(comparable y-o-y change)

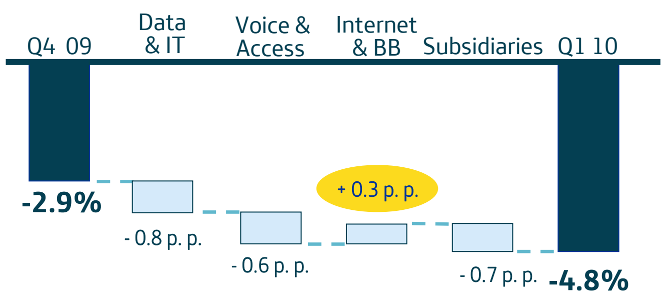


Wireless
(Service revenues)



Top line gradual recovery, lowest revenue decline for the last five quarters

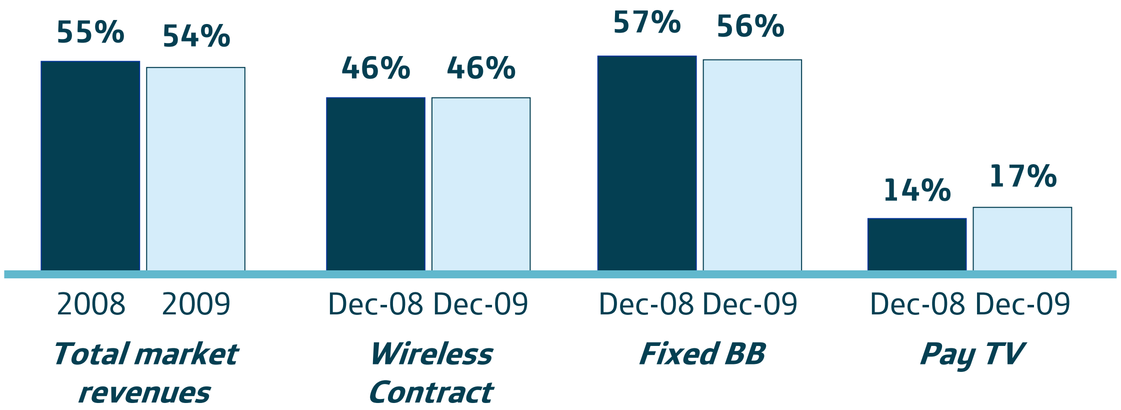
Wireline
(comparable)



Comparable terms for Q1 10 y-o-y change exclude the following effects: USO in Q1 09, real estate capital gains in Q1 09, Telyco Morocco in Q1 09 and TV Tax in Q1 10. Previous quarters year-on-year comparable changes published in Company´s press releases.
Quarterly Gross adds variations include: Fixed telephony accesses, retail broadband accesses, mobile accesses and pay TV accesses.

03 Competitive environment: is there a price war in Spain?

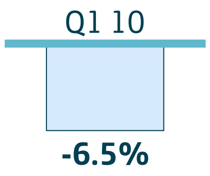
Telefónica Market Shares (1)



Strong leadership in the market

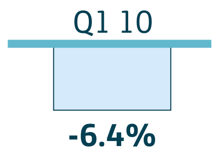
Rational pricing environment

Outgoing ARPM
(y-o-y change)



Oct-07 ID target
Outgoing ARPM
-5% / -7%
CAGR 06-10 E

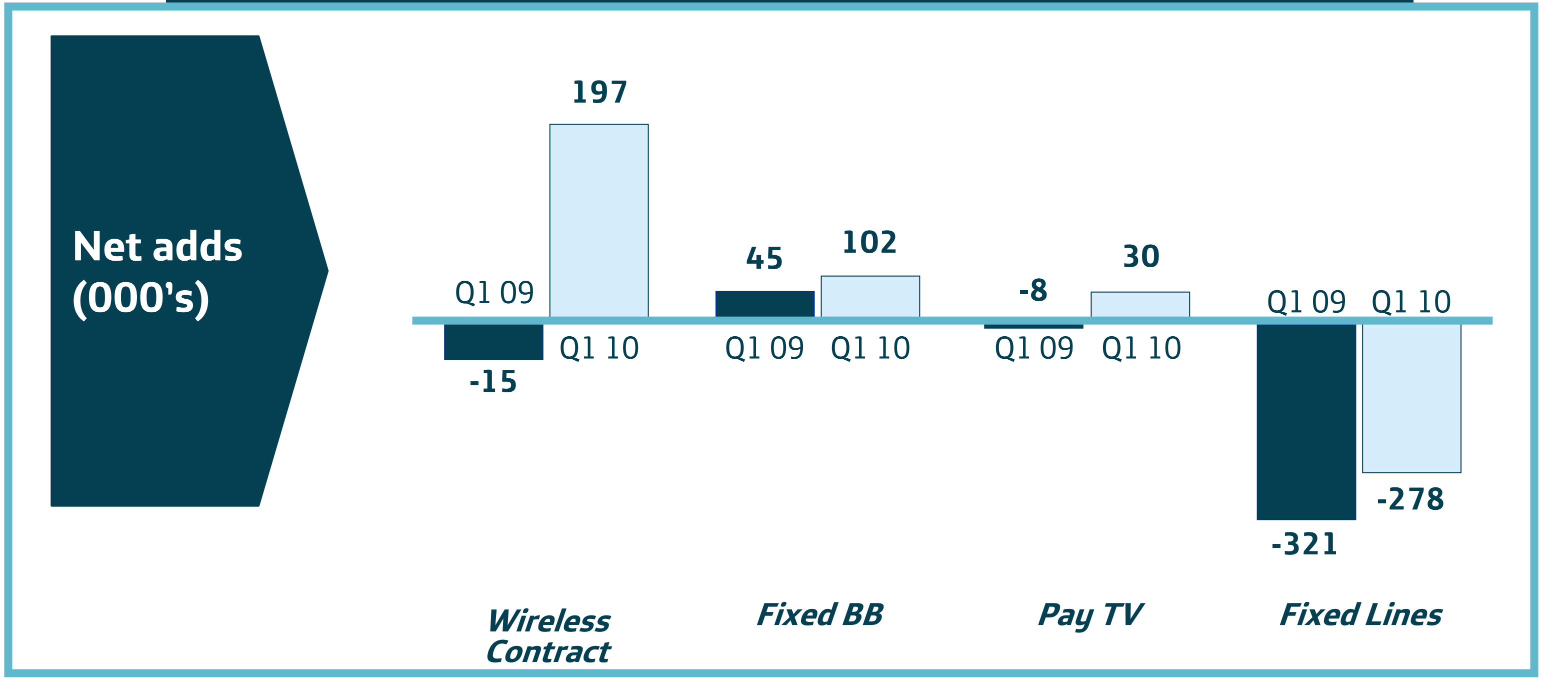
Retail BB connectivity ARPU
(y-o-y change)



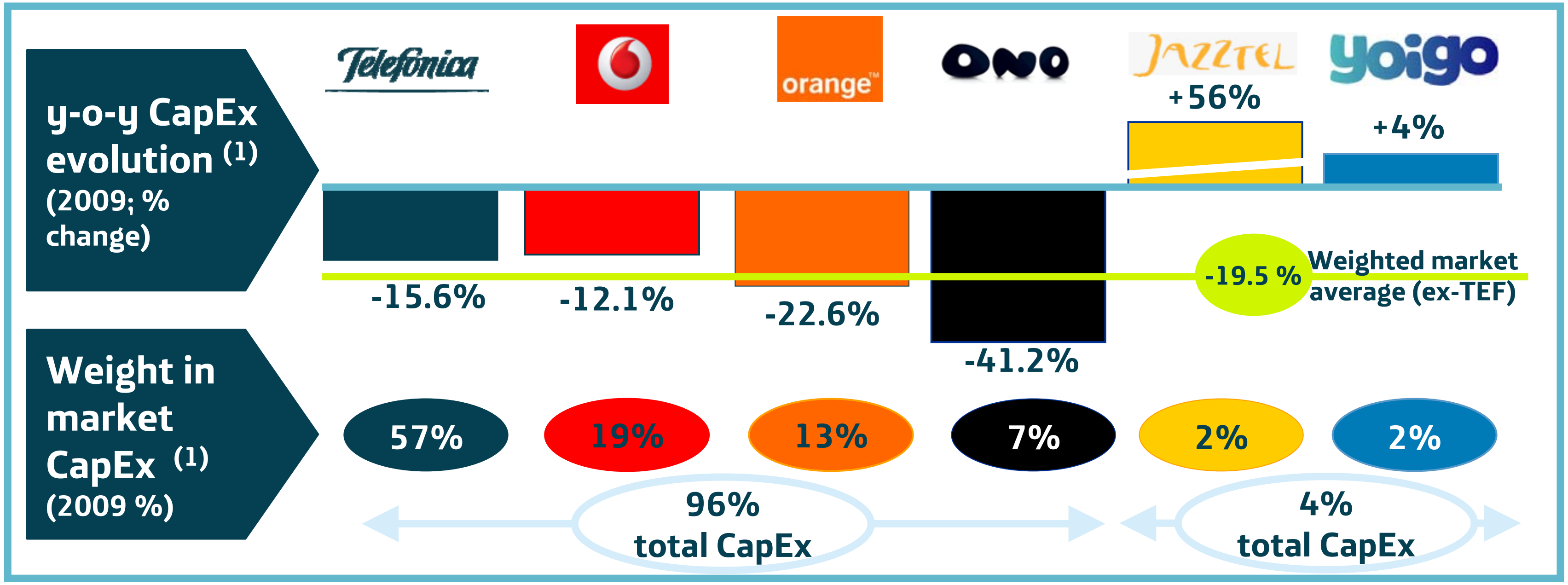
Oct-07 ID target
Retail BB connectivity ARPU
-4% / -7%
CAGR 06-10 E

(1) Estimated market shares.

Building foundations for future revenue growth



03 Are you under investing?



TEF ACHIEVING HIGHER EFFICIENCIES BASED ON

- Reduced prices on scale benefits
- Integrated player approach strategy
- Lower economic activity
- Lower eGSM investments
- Reduced Real Estate activity

(1) Expansión: March 10th, 2010 (Vodafone data 12 months to Sep-09 vs. 12 months to Sep-08 in local currency).

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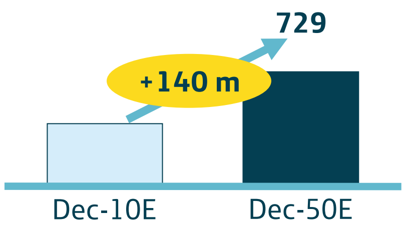
04 Is LatAm growth potential exhausted?

28% of population in the region < 14 years

Population
(million inhabitants)



- **Macroeconomic strength:**
  - >5% annual GDP growth in 2004-08, but –2.3% in 2009E
  - >3.7% GDP growth in 2010E & 2011E

- **Structural social improvements** in the growth period:
  - **Unemployment reduced** from 11% to 7.5% since 2002
  - **> 50 m people have left poverty** since 2000
  - **Brazil: Middle & upper class ascent** even in the crisis period

- **Countries > US$ 10 thousand GDP per capita PPP(1) represent 75% of total**
- **>US$780 bn(2) increase in Private Consumption from 90s to 2009E**

- **80% of Latam population is urban**
- 5 of the biggest cities worldwide in Latam

HUGE POTENTIAL FOR CONSUMPTION

Source: United Nations and International Monetary Fund.
(1) Minimum for the development of the middle class.
(2) Assumes constant exchage rates as of 2009.

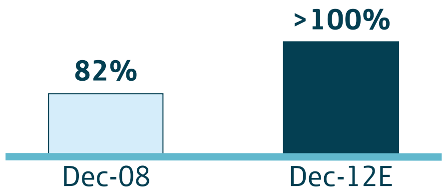
04 What are the growth opportunities in the region?

WIRELESS

FURTHER PENETRATION INCREASE

Mobile penetration

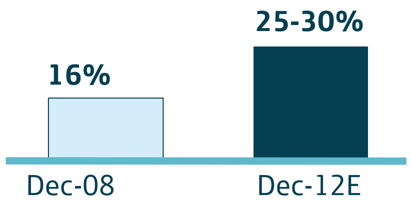
+ 130-140 m accesses: ~65% voice accesses(1)



POSTPAY MIGRATION: UP & CROSS SELLING

Customer mix % postpay

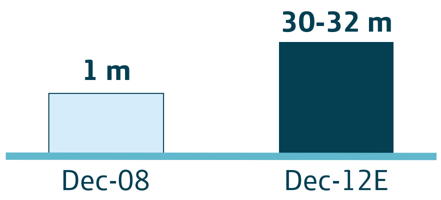
ARPU improvement



MBB: NEXT KEY WAVE OF GROWTH

MBB accesses(2)

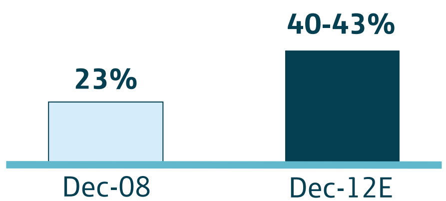
Tiered pricing



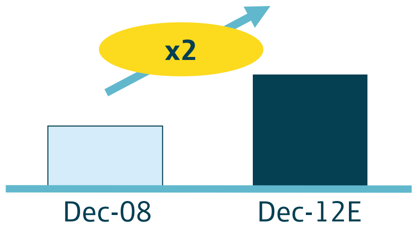
WIRELINE

FOCUS ON TRANSFORMATION

FBB/Fixed accesses(3)



Pay TV accesses(4)



From Dec- 08 to Dec-12E

FBB Average Speed x4

2P+3P/LIS x2.4

(1) Ex MBB Big Screen.
(2) MBB Accesses: Including big and small screen.
(3) Sao Paulo, Argentina, Chile, Colombia & Peru.
(4) Sao Paulo, Chile, Colombia & Peru.

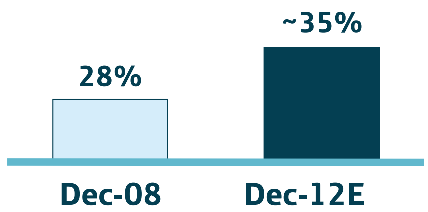
04 ARPU upside through up & cross selling in a more mature market

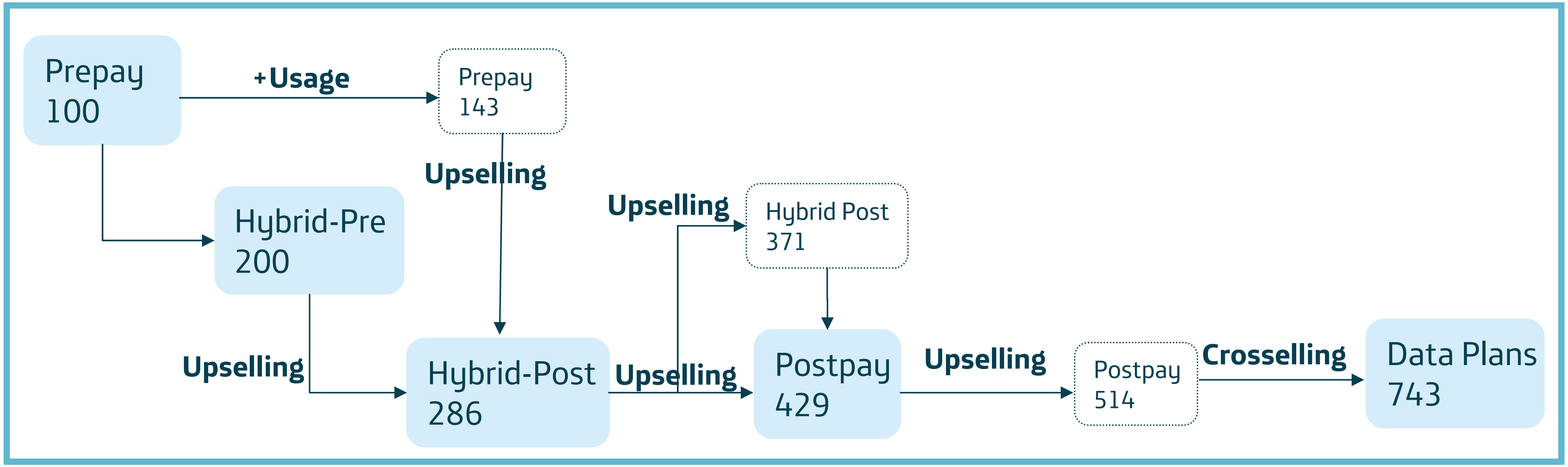
EXAMPLE (1)

Outgoing ARPU evolution in Chile, Jul-09 (Index)

- 106% penetration
- Strong customer growth in the market
- Lowest churn in the region

Customer mix (% Postpay)





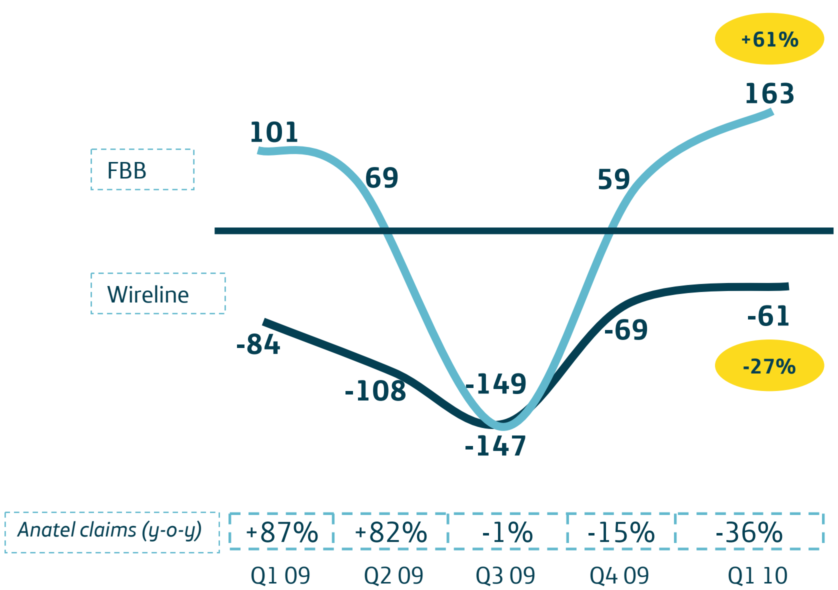
(1) Control Group Methodology.

04 Telesp gradual recovery

Best Q1 in history for FBB

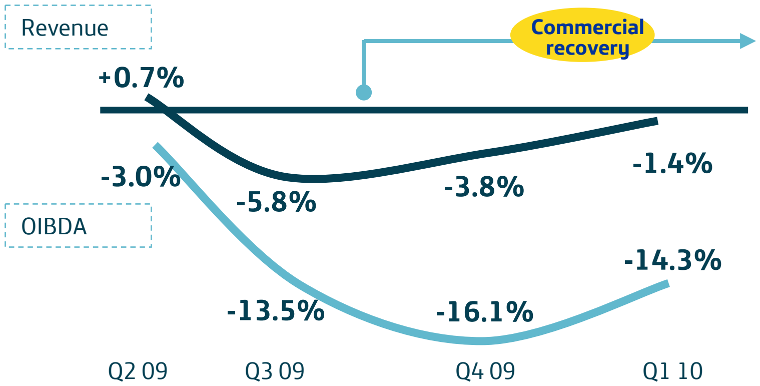
Net adds (000)

y-o-y growth



- **Gaining commercial momentum:**
  - Total accesses growth for the 1st time since Q3 08
  - Limited activity in Jan-10 on heavy rains
  - Positive fixed line net adds in March & April
  - Strong BB churn reduction
  - FBB net adds in Q1 10 is 2x FY 09 volume
  - Close to 50% of Q1 10 net adds recorded in Mar-10
  - Recovering market share
  - Stable CapEx/sales: 13.5% last twelve months

Financials (y-o-y in local currency)



- **Improving revenue trend** towards positive growth
- **Lower churn** levels should reduce commercial expenses going forward
- **OIBDA impacted by increased activity and heavy rains**

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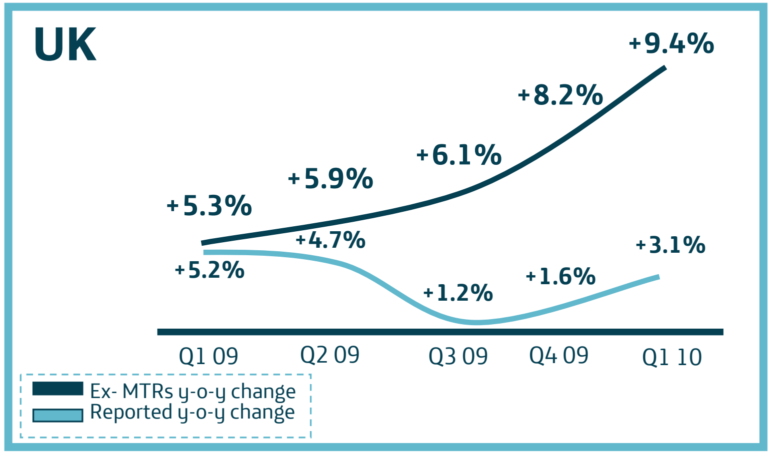
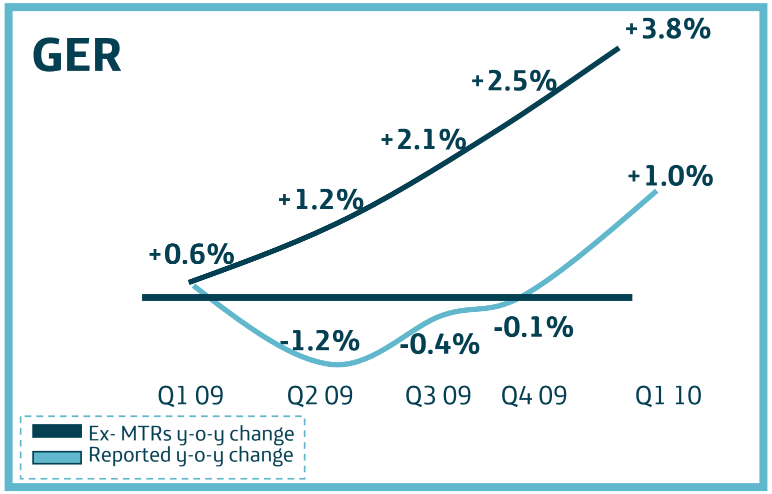
05 How are you going to deliver growth in UK and Germany?

Q1 10 Mobile Service Revenue Growth
(y-o-y ; local currency)





- **Base expansion & Mobile internet driving growth**
  - Quality base improvement: 86% of Q1 mobile net adds in contract
  - "Home of Smartphones": over 7 m MBB in Q1, positively impacting ARPU & churn
- **UK: customer focus consistency, growing quality base**
  - Keeping customer experience & contract churn leadership
  - Total ARPU up 2.7% y-o-y ex-MTR in local currency on higher contract and robust non–P2P SMS data growth
  - Leveraging rational commercial and network investments for capacity. Investing for capacity: 1,500 additional BSs in 2010 and improved network management (e.g. disconnecting abusers of fair use policy, encourage uptake on WIFI, apps/services to notify customers)
- **Germany: challenger on P/S innovation and best-in-class network**
  - Quality and choice offer ("My Handy" & "O2o")
  - Setting the market context as the disruptive player (O2o, O2On)
  - Already solid #3 position in MBB; spectrum in 800 MHz, 2.0 GHz and 2.6 GHz band already secured. Total investment: 1.38 billion euros
  - Acquisition of Hansenet: enhanced integrated approach; cross-selling potential and reduce churn

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02 Telefónica Group:

- i. Will Telefónica maintain its differential growth profile?
- ii. Is your dividend policy sustainable?
- iii. What are your M&A ambitions?

03 T. España:

- i. Macroeconomic situation
- ii. Revenue performance: is the worst over?
- iii. Competitive environment: is there a price war in Spain?
- iv. Commercial activity across businesses
- v. Are you under investing?

04 T. Latam:

- i. Is the growth story in Latin America coming to its end?
- ii. How is Telesp performing?

05 T. Europe:

- i. How are you going to deliver growth in UK and Germany?

06 Conclusions

- One of the best positioned players to take advantage of the growth industry
- Top quality performance in 2009 in a very challenging environment
- On track to meet 2010 positive guidance
- Very attractive medium term guidance reiterated
- Sector leading cash return. DPS targets confirmed
- Selective M&A policy maintained