

Telefonica to provide satellite Internet connectivity in Europe through Eutelsat

Eutelsat's high-performance KA-SAT satellite allows Telefonica to provide fast Internet access to European operators beyond reach of terrestrial broadband networks

Madrid, Paris, 21 December 2012 - Telefonica Global Solutions has announced an agreement with Eutelsat Communications (Euronext Paris: ETL), Europe's leading satellite operator, to provide high quality satellite broadband services to carriers from across Europe through the high-performance KA-SAT satellite.

This new range of Internet services provided via KA-SAT will offer European carriers solutions that are as reliable and competitive in price as terrestrial broadband services. With KA-SAT, Telefonica aims at offering fast Internet access to carriers from all over Europe, especially in areas that are not within reach of terrestrial broadband networks, such as rural areas or urban belts, as well as fully diversified backup solutions in areas that do have terrestrial access.

The Telefonica Global Solutions wholesale unit is a leading global solutions provider in the international wholesale market, with a broad and competitive catalogue of outsourcing services and solutions for international carriers, present in the leading markets in Europe and America.

For Jean-François Fenech, CEO of Skylogic, Eutelsat's broadband subsidiary:

"Telefonica has followed a path that has established it as one of the most emblematic and admired companies in Europe, making it the ideal partner for increasing the reach of satellite broadband. We are convinced that the implementation of satellite broadband via KA-SAT will successfully address the challenge of building a strong and fair digital landscape throughout Europe."

Meanwhile, for Eduardo Guardincerri, Director of the Satellite Services Business Unit of Telefonica Global Solutions: *"The bid for Eutelsat Ka band is the logical step for the evolution of the business of data communications via satellite in Europe, where land-based infrastructures have increasing capillarity. KA-SAT will allow us to offer high quality services at competitive prices, allowing us to update our catalogue of services for*

operators and corporations. It also allows us to complement the overall strategy of the Telefonica Group providing another access technology for services such as M2M or iHealth.”

About Telefonica

Telefonica is one of the largest telecommunications companies in the world by market capitalization and number of clients. From its consolidated position in the sector, including telephony and broadband fixed and mobile as key supports of its growth, the company geared its strategy to strengthen its leadership in the digital world. Present in 26 countries and with more than 300 million customers, Telefonica has a strong presence in Europe and Latin America, important industrial partnership and a prominent global scale that very favourably positions the company to capture growth opportunities. Telefonica is a completely private company that has more than 1.5 million direct shareholders and their shares are traded in the market of the Spanish stock exchanges and on the stock exchanges of London and New York among others.

Telefonica Global Solutions manages the business of multinationals, wholesalers and roaming of the Telefonica Group. Global Solutions offers comprehensive services in fixed and mobile telephony, it services to some of the leading multinational in the world, as well as global telecommunications providers of fixed, mobile, Internet phones and contents. Telefonica Global Solutions has a competitive and integrated portfolio of services for carriers and multinational which includes international services of voice, IP, capacity, broadband, satellite, mobility and global solutions. It is a multicultural organization with more than 1,400 employees, present in 40 countries and speaking more than 15 different languages.

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About Eutelsat Communications

With capacity commercialised on 30 satellites that provide coverage across Europe, as well as the Middle East, Africa and significant parts of Asia and the Americas, Eutelsat is one of the world's three leading satellite operators. As of 31 March 2012 Eutelsat's satellites were broadcasting more than 4,250 television channels to over 200 million cable and satellite homes in Europe, the Middle East and Africa. The Group's satellites also serve a wide range of fixed and mobile telecommunications services, TV contribution markets, corporate networks, and broadband markets for Internet Service Providers and for transport, maritime and in-flight markets. Eutelsat's broadband subsidiary, Skylogic, markets and operates high speed Internet services through teleports in France and Italy that serve consumers, enterprises, local communities, government agencies and aid organisations in Europe, Africa, Asia and the Americas. Headquartered in Paris, Eutelsat and its subsidiaries employ just over 750 commercial, technical and operational professionals. This culturally diverse staff comprises employees from 30 countries.

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