ANNOUNCEMENT

MACHINA RESEARCH POSITIONS TELEFONICA IN THE TOP TIER OF GLOBAL M2M PROVIDERS FOR THE SECOND YEAR RUNNING

- **The reports highlights Telefonica's strong capabilities and reach in Latin America and its positive momentum in the m2m business.**

- **According to Machina Research, these top providers are for multinational corporations requiring seamless, large-scale and effective global m2m services and solutions.**

Madrid, London 24ᵗʰ of September.- According to the leading analyst firm Machina Research, Telefonica remains for the second year running as one of the top providers of m2m solutions globally. The report, 'm2m Communication Service Providers Benchmark 2015', which was recently published, focuses on 17 vendors in the m2m market space and has highlighted Telefonica as a truly global provider.

Amongst the strengths highlighted in the report, Telefonica's Latin America coverage was particularly highly praised. "*In Latin America its coverage is unrivalled, giving it a strong position in negotiating potential global partnerships with other CSPs. Latin America is an increasingly important region in global terms and the requirement for coverage there will drive many primary contractors to seek an arrangement with Telefonica.*"

 "*Latin America is a key growth market, particularly Brazil. During 2013, Vivo doubled its m2m subscriber base from 1.24 million to 2.36 million. This strong growth continued through 2014 as additions again exceeded a million connections. By the end of 2014, Brazilian operations had expanded to 3.51 million m2m connections. Key growth sectors in Brazil include point-of-sale and automotive*" also reads the report.

Along with praising strong R&D capabilities and leading strategic alliances with MWA operators and China Unicom, Machina also commented on Telefonica's continued positive momentum in the m2m space with robust growth year-over-year.

Customer wins with the UK Department of Environment and Climate Change (DECC) ; Bluesmart, connected luggage company, or JC Decaux, number 1 outdoor advertising company in the world, were featured. The fleet management segment was also highlighted, as being especially strong for Telefonica over the last year, an example of this is m2m Plug-and-Play fleet management, the new solution developed in partnership with Geotab that offers customers real time fleet management and the ability to develop a number of alerts, notifications and activity reports.