

Invitation_

Annual general meeting
Telefónica Deutschland Holding AG
12 May 2015

Telefonica

Deutschland

Telefónica Deutschland Holding AG

Munich

WKN: A1J5RX

ISIN: DE000A1J5RX9

We hereby invite our shareholders to attend the
annual general meeting

on 12 May 2015 at 10:00 a.m.
(Central European Summer Time - CEST)

at Alte Kongresshalle, Theresienhöhe 15,
80339 Munich, Germany

This document is a convenience translation of the German original.
In case of any discrepancy the German version is decisive.

Agenda

- 1. Submission of the adopted annual financial statements of Telefónica Deutschland Holding AG including the management report and the approved consolidated financial statements including the management report each as of 31 December 2014, the descriptive report of the management board pursuant to section 176 para. 1 sentence 1 German Stock Corporation Act ("AktG") and the report of the supervisory board for the financial year 2014**

The above mentioned documents as well as the proposal by the management board for the distribution of net retained earnings can be found on the internet at www.telefonica.de under Investor Relations/AGM.

2. Resolution on distribution of profit

The management board and the supervisory board propose to resolve as follows:

"The net retained earnings for
the year shown in the adopted
financial statements of Telefónica
Deutschland Holding AG as of
31 December 2014
in the amount of EUR 4,363,004,544.80

will be distributed as follows:

Distribution of dividend in the amount
of EUR 0.24 for each share entitled to
dividends, in total EUR 713,893,198.32

Profit carried forward EUR 3,649,111,346.48"

3. Resolution on the discharge of the members of the management board

The management board and the supervisory board propose to resolve as follows:

"The members of the management board in the business year 2014 are discharged for this period."

4. Resolution on the discharge of the members of the supervisory board

The management board and the supervisory board propose to resolve as follows:

"The members of the supervisory board in the business year 2014 are discharged for this period."

5. Resolution on the appointment of the auditor and the group auditor as well as the auditor for a potential review of the half-year financial report

The supervisory board proposes to resolve as follows:

"Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft with registered office in Stuttgart, Munich office, is appointed as auditor and group auditor for financial year 2015. In the event the supervisory or management board decides on an audit of the half-year financial report Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft with registered office in Stuttgart, Munich office, is appointed as auditor for the review pursuant to section 37w para. 5 German Securities Trading Act ("WpHG")."

The supervisory board has based its proposal on the recommendation of the audit committee.

6. Election of a member of the supervisory board

With effect from the closure of the annual general meeting 2015 Ms Maria Pilar López Álvarez resigns from the supervisory board of the company. It is therefore necessary to elect a new member.

Pursuant to sections 95, 96 para. 1 German Stock Corporation Act (AktG) with section 7 para. 1 German Co-Determination Act ("MitbestG") and section 11 para. 1 of the Articles of Association, the supervisory board comprises 16 members, of whom eight are elected by the general meeting and eight by the employees. The general meeting is not bound to follow nominations.

The following nominations take into account the objectives set by the supervisory board with respect to its composition.

The supervisory board proposes to resolve as follows:

"In place of the departing supervisory board member, Ms Maria Pilar López Álvarez, Ms Laura Abasolo García de Baquedano, Director of Planning, Budgeting and Control at Telefónica, S.A. with seat in Madrid, Spain, and residence in Bilbao, Spain, is elected as member of supervisory board. The term of office commences at the end of the annual general meeting 2015 and ends at the end of the general meeting which resolves the discharge for the first financial year after the term of office has commenced, not counting the financial year in which the period of office commenced."

The supervisory board has based its nomination on the recommendation of the nomination committee.

Information pursuant to section 125 para. 1 sentence 5 German Stock Corporation Act (AktG):

Ms Abasolo García de Baquedano is at the time of this notification of convention of this general meeting a member of the following legally required supervisory boards and the following similar German and foreign supervisory bodies of business enterprises:

- Member of the Board of Directors, Telefónica Chile, S.A., Santiago, Chile.

As recommended in section 5.4.1 para. 4 of the German Corporate Governance Code in the version dated 24 June 2014 the information deemed relevant by the supervisory board for this election relating to the personal and business relationships of the proposed candidate to the company, the corporate bodies of the company and a significant shareholder in the company is disclosed as follows:

Ms Abasolo García de Baquedano is employed at our indirect major shareholder Telefónica, S.A., Madrid, Spain. She is member of the Board of Directors of Telefónica Chile, S.A., an affiliate of our indirect major shareholder Telefónica, S.A.

Ms Abasolo García de Baquedano holds shares in Telefónica, S.A., Madrid, Spain, and participates in an employee share program.

7. Resolution on amendment to the Articles of Association regarding participation in the general meeting

The legislative bill of the amendment to stock corporation law 2014 dated 7 January 2015 stipulates inter alia that section 123 para. 3 German Stock Corporation Act (AktG) which concerns proof of the entitlement to participate in the general meeting will be revised and replaced by four paragraphs. According to paras. 5 and 6 of section 123 German Stock Corporation Act (AktG) contained in the legislative bill, in the future and for registered shares of German listed companies, the entitlement to participate in the general meeting or to exercise voting rights will be based on the shareholder

being registered in the share register, whereby the definitive date for entry is the beginning of the 21st day before the general meeting. As it is not foreseeable whether and when the new requirements described above regarding the entitlement to participate in the general meeting or exercise voting rights will come into force, section 23 para. 1 of the Articles of Association should be amended so that both the current statutory requirements and possible future statutory requirements are accounted for.

The management board and the supervisory board therefore suggest resolving as follows:

"Section 23 para. 1 of the Articles of Association shall be reworded as follows:

"(1) Only the shareholders who have registered on time pursuant to (2) and who are entered in the share register for the respective shares shall be allowed to participate in the general meeting and exercise voting rights."

Total number of share and voting rights

The share capital of Telefónica Deutschland Holding AG amounts to EUR 2,974,554,993.00 and is divided into 2,974,554,993 non-par value shares. The total number of shares and voting rights amounts to 2,974,554,993. These figures relate to the date of publication of this invitation in the Federal Gazette (Bundesanzeiger).

Conditions for attendance and exercising voting rights

The conditions for attendance are determined in accordance with sections 121 et seq. German Stock Corporation Act (AktG) and sections 23 and 25 of the Articles of Association. Those shareholders who are registered in the shareholders' register on the date of the registration deadline and who have registered for attendance in due time are entitled to attend the General Shareholders' Meeting and exercise their voting rights.

The registration must be received by Telefónica Deutschland Holding AG at the following address no later than 24:00h CEST on May 5, 2015:

Telefónica Deutschland Holding AG
c/o HCE Haubrok AG
Landshuter Allee 10
80637 Munich
Germany
e-mail address: anmeldung@hce.de
Telefax: +49-(0)89-210 27 288

The registration must be made in text form and may also be transmitted by fax or e-mail. To facilitate registration, a registration form will be sent to shareholders together with the notifications pursuant to § 125 AktG. Shareholders may also request a registration form from the address specified above.

Please note that, pursuant to section 23 para. 1 and para. 2 of the Articles of Association, no deletions from or registrations with the shareholders' register may be made on the day of the General Shareholders' Meeting or during the six days preceding the date of the General Shareholders' Meeting, i.e. from 00:00h CEST on May 6, 2015 until 24:00h CEST on May 12, 2015. Trading in shares is not limited, the shares are not blocked.

Admission tickets will be sent to all shareholders who register in due time.

Proxy voting

Shareholders are entitled to vote by proxy, e.g., by a financial institution, a shareholders' association, or by any other person of their choice. The grant and revocation of the proxy authorization as well as the evidence of proxy authorization to the Company must be provided in text form (section 126b of the German Civil Code (BGB)); section 135 German Stock Corporation Act (AktG) remains unaffected. Evidence of proxy authorization may also be sent to the Company by e-mail to the following e-mail address: vollmacht@hce.de. A form which shareholders may use for granting a voting proxy will be sent to shareholders together with their admission tickets as well as upon such a request to

Telefónica Deutschland Holding AG
c/o HCE Haubrok AG
Landshuter Allee 10
80637 Munich
Germany
e-mail address: vollmacht@hce.de
Telefax: +49-(0)89-210 27 288

The form may also be downloaded from www.telefonica.de under Investor Relations/AGM.

We also offer our shareholders prior to the General Shareholders' Meeting the opportunity to authorize a proxy nominated by the Company for the General Shareholders' Meeting who will vote in accordance with the voting instructions of the shareholder. Details are provided in the documents sent to the shareholders pursuant to section 125 German Stock Corporation Act (AktG). In addition, more information on voting via the proxy nominated by the Company as well as a form for granting a proxy authorization and issuing instructions to the proxy nominated by the Company are also available to shareholders on the internet at www.telefonica.de under Investor Relations/AGM.

Motions or election proposals from shareholders

Pursuant to section 122 para. 2 German Stock Corporation Act (AktG), shareholders whose combined shares amount to at least one twentieth of the share capital or a nominal value of EUR 500,000 may request that additional points be added to the agenda and published. Such requests must be made to the Management Board (Telefónica Deutschland Holding AG, Management Board, Georg-Brauchle-Ring 23 - 25, 80992 Munich, Germany) and must be received by the Company no

later than 30 days prior to the General Shareholders' Meeting (not counting the day of the General Shareholders' Meeting and the day of receipt), this is by no later than 24:00h CEST on April 11, 2015.

Pursuant to section 126 para. 1 German Stock Corporation Act (AktG), any shareholder of the Company may submit a counter-proposal to a proposal made by the Management Board and/or the Supervisory Board relating to a specific point on the agenda. Counter-proposals must be made available on the website subject to the provisions of section 126 paras. 1 and 2 German Stock Corporation Act (AktG), provided they have been received by the Company at the address provided below no later than 14 days prior to the General Shareholders' Meeting (not counting the day of the General Shareholders' Meeting and the day of receipt), this is by no later than 24:00h CEST on April 27, 2015.

Moreover, any shareholder may propose election of members of the Supervisory Board and auditors subject to the provisions of section 127 German Stock Corporation Act (AktG). Election proposals must be made available on the website subject to the provisions of sections 127 and 126 para. 1 and para. 2 German Stock Corporation Act (AktG), provided they have been received by the Company at the address provided below no later than 14 days prior to the General Shareholders' Meeting (not counting the day of the General Shareholders' Meeting and the day of receipt), this is by no later than 24:00h CEST on April 27, 2015.

Counter-proposal or election proposals from shareholders must be sent to the following address:

Telefónica Deutschland Holding AG

Investor Relations

Georg-Brauchle-Ring 23 - 25

80992 Munich

Germany

Telefax: +49-(0)89-2442-2000 or to the following

e-mail address: Hauptversammlung@telefonica.com

No counter-proposals or election proposals otherwise addressed will be considered.

More information on the rights pursuant to sections 122 para. 2, 126 para. 1 and 127 German Stock Corporation Act (AktG), is available to shareholders at www.telefonica.de under Investor Relations/AGM. Requests and election proposals from shareholders that are required to be made available will be made available under the aforementioned internet address.

Right to obtain information

Please note that pursuant to section 121 para. 3, sentence 3, no. 3 German Stock Corporation Act (AktG), all shareholders are to be given information on Company matters by the Management Board upon request at the General Shareholders' Meeting, provided such information is necessary in order to properly assess an agenda item. More information on the rights to obtain information pursuant to section 131 para. 1 German Stock Corporation Act (AktG) is available to shareholders at www.telefonica.de under Investor Relations/AGM.

Information on the Company's website

All information required to be published pursuant to section 124a German Stock Corporation Act (AktG) is available at www.telefonica.de under Investor Relations/AGM.

Inquiries

To facilitate preparations for the General Shareholders' Meeting and to ensure a response from the Company to inquiries regarding the General Shareholders' Meeting that is as quick as possible, we ask that you direct your inquiries solely to:

Telefónica Deutschland Holding AG

Investor Relations

Georg-Brauchle-Ring 23-25

80992 Munich

Germany

Telefax: +49-(0)89-2442-2000 or to the following

e-mail address: Hauptversammlung@telefonica.com

Munich, March 2015

Telefónica Deutschland Holding AG

The Management Board



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