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Telefónica Acquires IP Communications Leader JAJAH

Extended online capabilities cements leadership as integrated operator

London/Munich. Telefónica today announced the acquisition of the leading communications innovator JAJAH for the value of €145 million (\$207 million) in an all-cash transaction. The agreement is subject to formal clearance by CNC, the Spanish competition authority.

The purchase of JAJAH – based in Silicon Valley, California, and Israel – significantly enriches Telefónica's capabilities to offer cutting-edge communications services for customers online – whenever, wherever and however they want.

JAJAH services are used in around 200 countries by millions of people and are integrated into everyday instant messaging and social media applications, as well as through its own JAJAH direct-to-consumer offer. Its business solutions, which provide seamless IP communications services across the organisation, regardless of location or device, are used by thousands of small-to-medium and large enterprises across the world.

Matthew Key, Chairman and CEO of Telefónica Europe, said: "The acquisition of JAJAH broadens the scope of our communications offering and opens up new capabilities in the voice communication space. People using social networking sites such as Twitter now have an even wider range of communications channels available – and have the option of speaking directly to each other as well as communicating by text or keyboard."

JAJAH has a successful range of innovative consumer, small business and enterprise solutions, combining Internet technology with telephony to create user-friendly, high quality communications services.

Trevor Healy, CEO of JAJAH, said: "This is a very exciting union of a young, innovative company with one of the largest integrated communications companies in the world. Together, we look forward to creating the next generation of communication."

JAJAH will continue to operate under its current brand reporting into Telefónica Europe, which will be the first of Telefónica's regional business divisions to offer seamless JAJAH services to customers wishing to extend their communications experience. Telefónica Europe was advised in the transaction by KPMG, and JAJAH was advised by CFP Corporate Finance Partners. Deutsche Bank acted as advisor in closing procedures.

A Telefónica company



About Telefónica Europe

Telefónica Europe is a business division of Telefónica comprising mobile, fixed and DSL operations in the UK, Ireland, Germany, the Czech Republic and Slovakia - all of which use 'O2' as their consumer brand. Telefónica Europe also has 50% ownership of the UK and Irish Tesco Mobile and German Tchibo Mobilfunk joint venture businesses. In addition, the group includes the Isle of Man integrated fixed/mobile operator, Manx Telecom. Telefónica Europe is headquartered in Slough, UK, and has some 48.6 million mobile and fixed customers.

Telefónica O₂ Germany GmbH & Co. OHG belongs to Telefónica Europe and is part of the Spanish telecommunication group Telefónica S.A. The Company offers its German private and business customers postpaid and prepaid mobile telecom products as well as innovative mobile data services based on the GPRS and UMTS technologies. In addition, the integrated communications provider also offers DSL fixed network telephony and high-speed internet. Telefónica Europe has nearly 49 million mobile and fixed network customers in Great Britain, Ireland, the Czech Republic, Slovakia and Germany.

About JAJAH

JAJAH's IP Communications Platform offers flexible, next-generation integrated communications solutions for enterprises, telecommunications companies and individuals. JAJAH's award-winning services make it easier for people to stay in touch using any device, on any network, anywhere. Leveraging a universal open telecommunications platform, JAJAH's managed services allow mobile operators, landline carriers, cable companies, technology companies and other businesses to adopt its voice solutions with minimal investment and time to market. The leading global IP communications company is headquartered in Mountain View, California, with offices in Israel. For more information and details of JAJAH's portfolio of consumer and business solutions, visit www.JAJAH.com.

More information:

Telefónica O₂ Germany GmbH & Co. OHG
Press Relations
Albert Fetsch, spokesman
Georg-Brauchle-Ring 23-25
80992 Munich
t +49 (0) 89 2442-1220
f +49 (0) 89 2442-1209
e albert.fetsch@o2.com
www.o2online.de/presse

Telefónica Europe

David Nicholas
Director of Communications
Telefónica Europe plc
david.nicholas@o2.com

Simon Lloyd
Head of Media Relations
Telefónica Europe plc
simon.lloyd@o2.com

Telefónica Europe plc press office: t +44 (0)1753 628 402