

Telefonica

DENNIS F. FERNÁNDEZ ARMAS
Vicepresidente de Operaciones de Red y Negocio Mayorista

Lima, February 24, 2012

To whom it may concern:

We hereby would like to express our recognition for the work performed by London Consulting Group during the efficiency and productivity project carried out by Telefonica's Engineering Management, Technical Facilities Assurance Management and Planning Management in Peru from June 27, 2011 to February 24, 2012.

During the above mentioned project, London assigned a team of consultants who worked in conjunction with our personnel and took the necessary measures to achieve the project's results. Among the most relevant outcomes were the following:

- An 85% increase in the personnel's activities within the different areas of management, including operations in Lima as well as in other main provinces, achieving a detailed volume per hour of each of the processes which facilitated its analysis.
- During the process and activity analysis stage, which focused on workloads, an opportunity for availability in man-hours was identified equivalent to 18% of the operative head count in Lima.
- Likewise, opportunities and scenarios of probable value generating initiatives were analyzed for the VP, identifying the supplier's and contractor's activities in which Telefonica's personnel could develop and then relocate considering their experience and knowledge in order to ensure their appointment and to maintain a good working environment.
- The identified initiatives were included in the VP's strategic plan, which resulted in the perfect opportunity to make them viable and to execute them.
- We were able to identify 100% of the people selected to be relocated within the different managements, and 54% of the relocations were performed, taking training plans and the purchase of necessary tools into consideration to carry out the initiatives.
- The aforementioned will generate savings of \$1,119,000 USD during the first year and \$3,597,000 USD over the first three years, which represents a return on investment of 6.4 to 1.
- Lastly, workshops for the Development of Management Skills were provided for 73 executives within the three different management areas with the objective of teaching leaders change management strategies, communication, work systems, time management, teamwork and human resources management.

Based on the aforementioned and the dedication and responsibility of their team of consultants, we highly recommend London Consulting Group as a committed and professional company which always works towards results.

Sincerely,

