

Telefonica

JANUARY - JUNE 2015 RESULTS

Disclaimer

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DISCLAIMER

The financial information related to the first half of 2015 contained in this document has been prepared under International Financial Reporting Standards (IFRS), as adopted by the European Union. This information is unaudited.

For comparative purposes, the quarterly data for 2014 are reported adjusting the exchange rate in Venezuela from SICAD I to SICAD II 50 VEF/USD for the Telefónica Group, Hispanoamérica and Venezuela and Central America following the adoption of SICAD II 50 VEF/USD in the fourth quarter of 2014. The January-March 2015 period is at the previously denominated SICAD II 52 VEF/USD. The April-June 2015 consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the previously denominated SIMADI (as of 30 June, this rate was set at 197 Venezuelan bolivars fuertes per dollar) for the purpose of translating the transactions, cash flows and balances related to the investments in Venezuela. The financial information for the first half of 2014 using the exchange rate in use at the time (SICAD I 10.60 VEF/USD), prepared under IFRS as adopted by the European Union, can be found in the tables "Addenda".

From the first quarter of 2015 Telefónica's operations in the United Kingdom are reported as discontinued operations within the Telefónica Group and their assets and liabilities are classified as "held for sale", in compliance with the IFRS, as a result of the signing of the final sale agreement of the company in March 2015. For comparative purposes, 2014 results are reported using these same criteria.

New information has been included from the first quarter 2015 and also is given for comparison purposes since January 2014: i) prepay/contract split for smartphone accesses and for smartphone penetration at group and business unit level, ii) LTE accesses and LTE penetration at group and business unit level, iii) fibre accesses for group and Chile, iv) Fusión accesses split between Fibre 100 and IPTV customers, along with Fusión ARPU and churn.

The following Addenda are included: i) the detailed Income Statement and Accesses and Selected Operational information for Telefónica UK, reported as per the perimeter of discontinued operation, ii) the detailed Income Statements for Telefónica, Telefónica Hispanoamérica and Telefónica Venezuela and Central America prepared under IFRS using in the first half of 2014 the exchange rate in use at the time (SICAD I 10.60 VEF/USD).

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TELEFÓNICA

ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	283,012.7	285,331.4	285,237.0	309,800.5	312,635.8	323,021.6		
Fixed telephony accesses (1)(2)	37,382.1	37,326.1	37,103.9	36,602.0	36,219.8	40,164.5		
Internet and data accesses	18,105.5	18,151.4	18,150.3	18,132.5	18,195.7	21,229.3		
Broadband (3)	17,569.1	17,625.9	17,640.2	17,649.3	17,704.7	20,754.8		
Fibre (4)	975.9	1,181.6	1,447.1	1,755.0	2,062.6	5,444.4		
Mobile accesses	223,958.0	225,662.0	225,332.8	249,978.9	252,753.8	253,597.5		
Prepay	150,854.2	150,750.4	149,877.0	164,959.2	166,813.7	166,636.1		
Contract	73,103.9	74,911.6	75,455.7	85,019.6	85,940.1	86,961.4		
M2M	6,269.0	6,665.1	6,841.4	7,595.5	8,029.0	8,447.4		
Pay TV (5)	3,567.1	4,191.9	4,650.0	5,087.2	5,466.5	8,030.3		
Wholesale Accesses	6,327.7	6,438.6	6,585.6	6,521.6	6,475.7	6,401.0		
Total Accesses	289,340.3	291,770.0	291,822.5	316,322.1	319,111.5	329,422.6		

Notes:

- T. Ireland accesses are excluded from the third quarter of 2014. E-Plus accesses are consolidated from the fourth quarter of 2014 and GVT and DTS accesses are consolidated from 1 May 2015.

- O2 UK accesses are excluded from the first quarter of 2014 as a result of the discontinuation of the operation.

(1) Includes fixed wireless and VoIP accesses.

(2) From 1 May 2015 4.3 million GVT accesses are included.

(3) Includes ADSL, satellite, fibre, cable modem and broadband circuits.

(4) From 1 May 2015 3.2 million GVT fibre (FTTN) accesses are included.

(5) From 1 May 2015 1.4 million DTS and 1.0 million GVT accesses are included.

TELEFÓNICA

MOBILE ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Prepay percentage (%)	67.4%	66.8%	66.5%	66.0%	66.0%	65.7%		
Contract percentage (%)	32.6%	33.2%	33.5%	34.0%	34.0%	34.3%		
Smartphones ('000)	58,340.2	63,670.7	71,447.1	79,027.7	91,431.1	99,184.0		
Prepay	25,660.8	29,208.1	35,349.2	36,539.6	46,368.5	51,139.4		
Contract	32,679.4	34,462.6	36,097.9	42,488.1	45,062.5	48,044.6		
Smartphone penetration (%)	27.7%	30.0%	33.7%	33.6%	38.3%	41.4%		
Prepay (%)	17.2%	19.6%	23.8%	22.4%	28.0%	30.9%		
Contract (%)	53.2%	54.8%	56.8%	59.2%	61.4%	64.8%		
LTE smartphones ('000)	2,758.5	3,982.1	5,505.8	9,830.7	14,059.4	18,571.7		
LTE penetration (%)	1.3%	1.8%	2.5%	4.1%	5.7%	7.6%		

Notes:

- T. Ireland accesses are excluded from the third quarter of 2014. E-Plus accesses are consolidated from the fourth quarter of 2014 and GVT and DTS accesses are consolidated from 1 May 2015.

- O2 UK accesses are excluded from the first quarter of 2014 as a result of the discontinuation of the operation.

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TELEFÓNICA
SELECTED FINANCIAL DATA
Unaudited figures (Euros in millions)

	Jan - Jun	% Chg		Apr - Jun	% Chg	
	2015	Reported	Organic	2015	Reported	Organic
Revenues	23,419	12.5	3.9	11,876	12.4	4.4
Telefónica España	5,844	(2.5)	(2.5)	2,966	(1.1)	(1.1)
Telefónica Deutschland (1)	3,849	68.6	2.1	1,949	67.8	1.3
Telefónica Brasil (2)	5,737	4.6	4.8	2,943	4.5	5.2
Telefónica Hispanoamerica	7,132	15.0	10.0	3,467	10.6	10.3
Other companies & eliminations (3)	856	(0.1)		551	21.8	
Telefónica Ireland (4)	-	n.m.		-	n.m.	
OIBDA	7,320	7.2	2.9	3,702	6.8	3.3
Telefónica España	2,598	(5.3)	(4.9)	1,316	(1.9)	(1.3)
Telefónica Deutschland (1)	869	68.5	10.8	461	74.1	12.5
Telefónica Brasil (2)	1,759	1.6	0.6	919	1.7	0.4
Telefónica Hispanoamerica	2,152	16.1	11.8	1,025	8.8	9.1
Other companies & eliminations (3)	(58)	n.m.		(20)	n.m.	
Telefónica Ireland (4)	-	n.m.		-	n.m.	
OIBDA margin	31.3%	(1.5 p.p.)	(0.3 p.p.)	31.2%	(1.6 p.p.)	(0.3 p.p.)
Telefónica España	44.5%	(1.4 p.p.)	(1.1 p.p.)	44.4%	(0.4 p.p.)	(0.1 p.p.)
Telefónica Deutschland (1)	22.6%	0.0 p.p.	1.8 p.p.	23.6%	0.9 p.p.	2.4 p.p.
Telefónica Brasil (2)	30.7%	(0.9 p.p.)	(1.3 p.p.)	31.2%	(0.8 p.p.)	(1.5 p.p.)
Telefónica Hispanoamerica	30.2%	0.3 p.p.	0.5 p.p.	29.6%	(0.5 p.p.)	(0.3 p.p.)
Operating Income (OI)	3,068	(8.0)	0.6	1,557	(10.8)	(1.7)
Net income	3,693	105.4		1,891	70.4	
Basic earnings per share (euros)	0.75	100.9		0.37	62.1	
Basic earnings per share from continuing operations (euros)	0.36	8.6		0.26	24.6	
CapEx	5,094	66.4	12.6	3,412	97.9	6.8
Telefónica España	887	26.2	19.2	473	8.6	2.4
Telefónica Deutschland (1)	1,658	n.m.	5.6	1,437	n.m.	8.2
Telefónica Brasil (2)	961	15.4	8.7	566	8.2	(0.7)
Telefónica Hispanoamerica	1,474	28.2	13.1	852	49.2	12.7
Other companies & eliminations (3)	115	4.9		85	40.3	
Telefónica Ireland (4)	-	n.m.		-	n.m.	
Spectrum	1,589	n.m.	n.m.	1,427	n.m.	n.m.
Telefónica España	49	n.m.	n.m.	27	n.m.	n.m.
Telefónica Deutschland (1)	1,195	n.m.	n.m.	1,195	n.m.	n.m.
Telefónica Brasil (2)	-	n.m.	n.m.	-	n.m.	n.m.
Telefónica Hispanoamerica	345	82.3	60.1	205	n.m.	n.m.
OpCF (OIBDA-CapEx)	2,226	(40.9)	(4.7)	289	(83.4)	(0.4)
Telefónica España	1,711	(16.2)	(13.4)	843	(7.0)	(3.0)
Telefónica Deutschland (1)	(789)	c.s.	17.5	(976)	c.s.	17.6
Telefónica Brasil (2)	798	(11.2)	(7.6)	354	(7.2)	2.2
Telefónica Hispanoamerica	678	(3.8)	10.4	173	(53.4)	3.6
Other companies & eliminations (3)	(173)	32.1		(104)	n.m.	
Telefónica Ireland (4)	-	n.m.		-	n.m.	

Notes:

- 2014 and 2015 reported figures include hyperinflationary adjustments in Venezuela in both years.

- For comparative purposes, the quarterly data for 2014 are reported adjusting the exchange rate in Venezuela from SICAD I to SICAD II 50 VEF/USD for the Telefónica Group, Hispanoamérica and Venezuela and Central America following the adoption of SICAD II 50 VEF/USD in the fourth quarter of 2014. The January-March 2015 period is at the previously denominated SICAD II 52 VEF/USD. The April-June 2015 consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the previously denominated SIMADI (as of 30 June, this rate was set at 197 Venezuelan bolivars fuertes per dollar).

- From the first quarter of 2015 Telefónica's operations in the United Kingdom are reported as discontinued operations within the Telefónica Group and their assets and liabilities are classified as "held for sale", in compliance with the IFRS, as a result of the signing of the final sale agreement of the company in March 2015. For comparative purposes, 2014 results are reported using these same criteria.

- Organic criteria: Assumes constant exchange rates as of 2014 (average FX in 2014), excludes hyperinflationary accounting in Venezuela in both years, classifies O2 UK in both periods as a discontinued operation and considers constant perimeter of consolidation. In OIBDA and OI terms, excludes write-downs, capital gains/losses from the sale of companies, tower sales, material non-recurring impacts and restructuring charges mainly related to the integration processes in Germany and Brazil and the simplification programme. In addition, CapEx excludes investment in spectrum the real estate efficiency plan.

- OIBDA and OI are presented before brand fees and management fees.

- OIBDA margin calculated as OIBDA over revenues.

(1) E-Plus has been included from 1 October 2014.

(2) GVT is included from 1 May 2015

(3) DTS is included from 1 May 2015

(4) T. Ireland has been removed from the consolidation perimeter from 1 July 2014.

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TELEFÓNICA
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	10,251	10,566	10,759	11,881	43,458	11,543	11,876			
Internal exp. capitalized in fixed assets	142	150	161	199	651	170	189			
Operating expenses	(7,124)	(7,353)	(7,395)	(8,912)	(30,783)	(8,185)	(8,425)			
Supplies	(2,733)	(2,847)	(2,865)	(3,306)	(11,750)	(3,058)	(3,233)			
Personnel expenses	(1,454)	(1,489)	(1,516)	(2,161)	(6,621)	(1,634)	(1,682)			
Other operating expenses	(2,937)	(3,016)	(3,014)	(3,445)	(12,412)	(3,493)	(3,509)			
Other net income (expense)	51	92	55	(9)	189	30	33			
Gain (loss) on sale of fixed assets	39	10	12	208	269	61	28			
Impairment of goodwill and other assets	0	1	(3)	(2)	(3)	(1)	0			
Operating income before D&A (OIBDA)	3,359	3,467	3,590	3,365	13,781	3,618	3,702			
OIBDA Margin	32.8%	32.8%	33.4%	28.3%	31.7%	31.3%	31.2%			
Depreciation and amortization	(1,769)	(1,722)	(1,771)	(2,168)	(7,430)	(2,107)	(2,145)			
Operating income (OI)	1,590	1,744	1,819	1,197	6,350	1,511	1,557			
Share of profit (loss) of investments accounted for by the equity method	4	(58)	(7)	(437)	(498)	(3)	0			
Net financial income (expense)	(678)	(555)	(696)	(849)	(2,779)	(644)	(485)			
Profit before taxes from continuing operations	915	1,131	1,116	(89)	3,074	864	1,071			
Corporate income tax	(284)	54	(290)	260	(260)	(385)	314			
Profit for the period from continuing operations	632	1,185	826	171	2,814	479	1,385			
Profit for the period from discontinued operations	93	88	154	104	439	1,304	537			
Profit for the period	725	1,272	980	275	3,252	1,783	1,922			
Non-controlling interests	(37)	(163)	(80)	28	(251)	19	(31)			
Net Income	688	1,110	900	303	3,001	1,802	1,891			
Weighted average number of ordinary shares outstanding during the period (millions)	4,612	4,580	4,569	4,665	4,606	4,645	4,860			
Continuing operations earnings per share (euros)	0.12	0.21	0.15	0.03	0.52	0.09	0.26			
Discontinued operations earnings per share (euros)	0.02	0.02	0.03	0.02	0.10	0.28	0.11			
Basic earnings per share (euros)	0.14	0.23	0.19	0.05	0.61	0.38	0.37			

Notes:

- For comparative purposes, the quarterly data for 2014 are reported adjusting the exchange rate in Venezuela from SICAD I to SICAD II 50 VEF/USD for the Telefónica Group, Hispanoamérica and Venezuela and Central America following the adoption of SICAD II 50 VEF/USD in the fourth quarter of 2014. The January-March 2015 period is at the previously denominated SICAD II 52 VEF/USD. The April-June 2015 consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the previously denominated SIMADI (as of 30 June, this rate was set at 197 Venezuelan bolivars fuertes per dollar).

- From the first quarter of 2015 Telefónica's operations in the United Kingdom are reported as discontinued operations within the Telefónica Group and their assets and liabilities are classified as "held for sale", in compliance with the IFRS, as a result of the signing of the final sale agreement of the company in March 2015. For comparative purposes, 2014 results are reported using these same criteria.

- The weighted average number of ordinary shares outstanding during the period has been obtained applying the IAS rule 33 "Earnings per share". Thereby, the weighted average of shares held as treasury stock have not been taken into account as outstanding shares. On the other hand, the denominator is retrospectively adjusted for transactions that have changed the number of shares outstanding without a corresponding change in equity (as if such transactions had occurred at the beginning of the earliest period presented). For instance, the bonus share issue carried out to meet the scrip dividends paid in 2014, has been taken into account. Also, the ordinary shares that would be issued upon the conversion of the mandatorily convertible notes issued on 24 September 2014 are included in the calculation of earnings per share from that date.

- Continuing operations earnings per share ratio is calculated dividing profit for the period from continuing operations, adjusted for the net coupon corresponding to "Other equity instruments", by the weighted average number of ordinary shares outstanding during the period.

- Discontinued operations per share ratio is calculated dividing profit for the period from discontinued operations by the weighted average number of ordinary shares outstanding during the period.

- Basic earnings per share ratio is calculated dividing Net Income, adjusted for the net coupon corresponding to "Other equity instruments", by the weighted average number of ordinary shares outstanding during the period.

- 2014 and 2015 reported figures include hyperinflationary adjustments in Venezuela.

- Telefónica Group consolidated results consolidate GVT and DTS from 1 May 2015, consolidate E-Plus results from the fourth quarter 2014 and deconsolidate T. Ireland's results from the third quarter 2014.

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TELEFÓNICA

REVENUE BREAKDOWN

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
T. ESPAÑA	2,992	3,000	2,993	3,038	12,023	2,878	2,966			
Wireless Business	1,155	1,144	1,118	1,138	4,556	1,024	1,108			
Wireline Business (1)	2,079	2,105	2,134	2,225	8,543	2,120	2,185			
T. DEUTSCHLAND (2)	1,122	1,162	1,219	2,019	5,522	1,901	1,949			
T. BRASIL (3)	2,666	2,818	2,896	2,850	11,231	2,794	2,943			
Wireless Business	1,783	1,904	1,971	1,960	7,617	1,942	1,831			
Wireline Business (1)	883	914	926	890	3,613	852	1,112			
T. HISPANOAMÉRICA (4)	3,066	3,135	3,337	3,617	13,155	3,665	3,467			
T. ARGENTINA	716	718	773	855	3,063	935	981			
Wireless Business	467	470	509	561	2,007	599	637			
Wireline Business (1)	249	248	264	294	1,055	336	344			
T. CHILE	525	507	507	551	2,089	565	590			
Wireless Business	319	300	302	326	1,247	339	347			
Wireline Business (1)	205	207	205	225	842	226	243			
T. PERU	588	603	646	666	2,504	692	684			
Wireless Business (5)	331	336	373	386	1,427	394	385			
Wireline Business (1)	258	266	273	280	1,077	298	299			
T. COLOMBIA	403	428	451	438	1,719	398	400			
Wireless Business	254	269	286	281	1,090	251	249			
Wireline Business (1)	148	159	165	156	629	147	151			
T. MEXICO	390	403	403	452	1,649	444	458			
T. VENEZUELA AND CENTRAL AMERICA (4) (6)	274	305	379	462	1,420	426	150			
T. ECUADOR	119	121	128	138	508	149	149			
T. URUGUAY	59	55	56	62	232	65	61			
Other companies and eliminations	(9)	(6)	(5)	(7)	(27)	(10)	(6)			
Other companies and eliminations (7)	405	452	314	357	1,528	305	551			
T. Ireland	130	129	-	-	259	-	-			
TOTAL GROUP (4)	10,251	10,566	10,759	11,881	43,458	11,543	11,876			

Notes:

- For comparative purposes, the quarterly data for 2014 are reported adjusting the exchange rate in Venezuela from SICAD I to SICAD II 50 VEF/USD for the Telefónica Group, Hispanoamérica and Venezuela and Central America following the adoption of SICAD II 50 VEF/USD in the fourth quarter of 2014. The January-March 2015 period is at the previously denominated SICAD II 52 VEF/USD. The April-June 2015 consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the previously denominated SIMADI (as of 30 June, this rate was set at 197 Venezuelan bolivars fuertes per dollar).

- From the first quarter of 2015 Telefónica's operations in the United Kingdom are reported as discontinued operations within the Telefónica Group and their assets and liabilities are classified as "held for sale", in compliance with the IFRS, as a result of the signing of the final sale agreement of the company in March 2015. For comparative purposes, 2014 results are reported using these same criteria.

- Telefónica Group consolidated results consolidate GVT and DTS from 1 May 2015 and E-Plus from the fourth quarter 2014. T. Ireland is deconsolidated from the third quarter 2014.

(1) Includes FBB connectivity services (retail and wholesale), including value-added services, TV services, ICT revenues and other services over connectivity.

(2) E-Plus has been included from the fourth quarter 2014.

(3) GVT has been consolidated from 1 May 2015.

(4) 2014 and 2015 reported figures include hyperinflationary adjustments in Venezuela.

(5) Includes fixed wireless revenues.

(6) Central America includes Guatemala, Panama, El Salvador, Nicaragua and Costa Rica.

(7) DTS has been included from 1 May 2015.

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TELEFÓNICA

OIBDA BREAKDOWN

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
T. ESPAÑA	1,402	1,342	1,376	1,551	5,671	1,282	1,316			
T. DEUTSCHLAND (1)	251	265	255	(38)	733	408	461			
T. BRASIL (2)	828	904	881	929	3,543	840	919			
T. HISPANOAMÉRICA (3)	912	942	1,103	1,111	4,068	1,127	1,025			
T. ARGENTINA	187	169	199	248	802	273	266			
T. CHILE	167	170	179	192	708	176	203			
T. PERU	218	208	257	162	844	238	212			
T. COLOMBIA	139	143	174	170	627	150	146			
T. MEXICO	60	69	99	109	337	109	105			
T. VENEZUELA AND CENTRAL AMERICA (3) (4)	78	109	125	150	463	114	30			
T. ECUADOR	43	45	47	54	188	52	45			
T. URUGUAY	24	20	23	27	94	24	20			
Other companies and eliminations	(2)	9	(1)	(2)	5	(8)	(3)			
Other companies and eliminations (5)	(35)	14	(25)	(188)	(233)	(38)	(19)			
T. Ireland	25	26	-	-	51	-	-			
TOTAL GROUP (3)	3,359	3,467	3,590	3,365	13,781	3,618	3,702			

Notes:

- For comparative purposes, the quarterly data for 2014 are reported adjusting the exchange rate in Venezuela from SICAD I to SICAD II 50 VEF/USD for the Telefónica Group, Hispanoamérica and Venezuela and Central America following the adoption of SICAD II 50 VEF/USD in the fourth quarter of 2014. The January-March 2015 period is at the previously denominated SICAD II 52 VEF/USD. The April-June 2015 consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the previously denominated SIMADI (as of 30 June, this rate was set at 197 Venezuelan bolivars fuertes per dollar).

- From the first quarter of 2015 Telefónica's operations in the United Kingdom are reported as discontinued operations within the Telefónica Group and their assets and liabilities are classified as "held for sale", in compliance with the IFRS, as a result of the signing of the final sale agreement of the company in March 2015. For comparative purposes, 2014 results are reported using these same criteria.

- Telefónica Group consolidated results consolidate GVT and DTS from 1 May 2015 and E-Plus from the fourth quarter 2014. T. Ireland is deconsolidated from the third quarter 2014.

- OIBDA figures exclude management and brand fees.

(1) E-Plus has been included from 1 October 2014.

(2) GVT has been included from 1 May 2015.

(3) 2014 and 2015 reported figures include the hyperinflationary adjustments in Venezuela.

(4) Central America includes Guatemala, Panama, El Salvador, Nicaragua and Costa Rica.

(5) DTS has been included from 1 May 2015.

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TELEFÓNICA

CAPEX BREAKDOWN

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
T. ESPAÑA	267	436	484	546	1,732	414	473			
T. DEUTSCHLAND (1)	132	134	145	438	849	221	1,437			
T. BRASIL (2)	310	523	515	1,585	2,933	395	566			
T. HISPANOAMÉRICA (3)	579	571	624	1,068	2,842	622	852			
T. ARGENTINA	114	115	99	349	676	146	363			
T. CHILE	91	116	111	111	429	123	115			
T. PERU	50	100	114	158	421	63	118			
T. COLOMBIA	178	123	90	105	496	48	111			
T. MEXICO	39	51	53	108	252	47	63			
T. VENEZUELA AND CENTRAL AMERICA (3) (4)	124	38	112	188	435	41	47			
T. ECUADOR	6	17	43	37	102	146	28			
T. URUGUAY	5	11	3	13	31	8	6			
Other companies and eliminations (5)	50	60	89	126	325	31	85			
T. Ireland	14	13	-	-	27	-	-			
TOTAL GROUP (3)	1,337	1,724	1,857	3,763	8,681	1,682	3,412			
Spectrum	187	3	3	1,102	1,294	161	1,427			

Notes:

- For comparative purposes, the quarterly data for 2014 are reported adjusting the exchange rate in Venezuela from SICAD I to SICAD II 50 VEF/USD for the Telefónica Group, Hispanoamérica and Venezuela and Central America following the adoption of SICAD II 50 VEF/USD in the fourth quarter of 2014. The January-March 2015 period is at the previously denominated SICAD II 52 VEF/USD. The April-June 2015 consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the previously denominated SIMADI (as of 30 June, this rate was set at 197 Venezuelan bolivars fuertes per dollar).

- From the first quarter of 2015 Telefónica's operations in the United Kingdom are reported as discontinued operations within the Telefónica Group and their assets and liabilities are classified as "held for sale", in compliance with the IFRS, as a result of the signing of the final sale agreement of the company in March 2015. For comparative purposes, 2014 results are reported using these same criteria.

- Telefónica Group consolidated results consolidate GVT and DTS from 1 May 2015 and E-Plus from the fourth quarter 2014. T. Ireland is deconsolidated from the third quarter 2014.

(1) E-Plus has been included from 1 October 2014.

(2) GVT has been included from 1 May 2015.

(3) 2014 and 2015 reported figures include the hyperinflationary adjustments in Venezuela.

(4) Central America includes Guatemala, Panama, El Salvador, Nicaragua and Costa Rica.

(5) DTS has been included from 1 May 2015.

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TELEFÓNICA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Unaudited figures (Euros in millions)

	2014				2015			
	March	June	September	December	March	June	September	December
Non-current assets	88,074	90,563	92,917	99,435	91,392	97,748		
Intangible assets	18,307	18,339	17,942	22,353	19,161	21,012		
Goodwill	23,445	24,042	24,142	25,111	19,626	23,775		
Property, plant and equipment and Investment properties	30,131	31,065	31,923	33,343	30,625	32,472		
Investments accounted for by the equity method	2,366	2,368	2,841	788	777	75		
Non-current financial assets	7,353	7,930	9,173	10,973	13,310	11,073		
Deferred tax assets	6,472	6,819	6,896	6,867	7,893	9,341		
Current assets	24,088	26,876	27,548	22,864	33,410	32,890		
Inventories	921	1,063	1,350	934	1,003	1,180		
Trade and other receivables	9,736	10,206	10,082	10,606	9,020	9,431		
Current financial assets	3,066	2,869	3,163	2,932	1,294	1,435		
Tax receivables	1,451	1,540	1,621	1,749	3,819	2,061		
Cash and cash equivalents	7,904	10,131	11,246	6,529	3,958	3,843		
Non-current assets classified as held for sale	1,010	1,067	86	114	14,316	14,940		
Total Assets = Total Equity and Liabilities	112,162	117,439	120,465	122,299	124,802	130,638		
Equity	27,198	27,736	30,619	30,289	32,670	35,519		
Equity attributable to equity holders of the parent and other holders of equity instruments	21,479	21,848	23,999	21,115	23,910	24,056		
Non-controlling interests	5,719	5,888	6,620	9,174	8,760	11,463		
Non-current liabilities	58,537	61,683	61,847	62,311	59,961	58,803		
Non-current interest-bearing debt	47,422	50,359	50,640	50,688	48,753	47,799		
Non-current trade and other payables	1,663	2,019	2,061	2,377	2,319	2,480		
Deferred tax liabilities	2,991	2,945	2,930	2,566	2,314	2,307		
Non-current provisions	6,461	6,360	6,216	6,680	6,575	6,217		
Current liabilities	26,427	28,020	27,999	29,699	32,171	36,316		
Current interest-bearing debt	8,609	9,374	9,156	9,094	11,576	14,424		
Current trade and other payables	14,170	14,765	15,273	16,943	13,195	13,908		
Current tax payables	1,986	2,184	2,306	2,026	1,867	1,889		
Current provisions	1,470	1,512	1,264	1,595	1,418	1,874		
Liabilities associated with non-current assets held for sale	192	185	-	41	4,116	4,221		
Financial Data								
Net Financial Debt (1)	42,724	43,791	41,200	45,087	45,627	51,238		

Notes:

- From the first quarter of 2015 Telefónica's operations in the United Kingdom are reported as discontinued operations within the Telefónica Group and their assets and liabilities are classified as "held for sale", in compliance with the IFRS, as a result of the signing of the final sale agreement of the company in March 2015. For comparative purposes, 2014 results are reported using these same criteria.

- 2014 and 2015 reported figures include the hyperinflationary adjustments in Venezuela.

(1) Figures in million euros. Net Financial Debt in June 2015 includes: Non-current interest-bearing debt + Non-current trade and other payables (1,321) + Current interest-bearing debt + Current trade and other payables (208) - Non-current financial assets (6,293) - Current financial assets - Current trade and other receivables (317) - Cash and cash equivalents.

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TELEFÓNICA
FREE CASH FLOW AND CHANGE IN DEBT
Unaudited figures (Euros in millions)

		2014				2015			
		Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
I	Cash flows from operations	3,087	6,547	10,091	14,520	2,765	6,243		
II	Net interest payment (1)	(1,016)	(1,544)	(2,118)	(2,505)	(906)	(1,402)		
III	Payment for income tax	(57)	(382)	(644)	(1,106)	143	(134)		
A=I+II+III	Net cash provided by operating activities	2,015	4,621	7,329	10,909	2,003	4,708		
B	Net payment for investment in fixed and intangible assets o/w spectrum (2)	(1,835)	(3,526)	(5,368)	(8,000)	(2,297)	(5,466)		
C=A+B	Net free cash flow after CapEx	180	1,095	1,961	2,909	(294)	(758)		
D	Net Cash received from sale of Real Estate	2	4	6	5	1	2		
E	Net payment for financial investment (3)	1,864	2,026	3,299	(517)	(86)	(743)		
F	Net payment for operations with minority shareholders and treasury stock (4)	1,164	(935)	(122)	144	(63)	371		
G=C+D+E+F	Free cash flow after dividends from continuing operations	3,210	2,190	5,144	2,541	(442)	(1,129)		
L	Free cash flow after dividends from discontinued operations	3	246	602	426	362	494		
H	Effects of exchange rate changes on net financial debt	2,299	2,596	2,898	2,405	546	524		
I	Effects on net financial debt of changes in consolid. and others	(520)	(479)	(325)	268	(85)	4,992		
J	Net financial debt at beginning of period	45,381	45,381	45,381	45,381	45,087	45,087		
K=J-G+H+I	Net financial debt at end of period	43,947	45,062	42,207	45,087	45,627	51,238		

		2014				2015			
		Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
	Net Free Cash Flow after CapEx	180	1,095	1,961	2,909	(294)	(758)		
	+ Payments related to cancellation of commitments	158	405	546	704	266	417		
	- Operations with minority shareholders	(119)	(254)	(271)	(327)	(26)	(400)		
	= Free Cash Flow from continuing operations	219	1,246	2,236	3,286	(54)	(741)		
	+ Free Cash Flow from discontinued operations	69	330	692	531	417	547		
	= Free Cash Flow	289	1,576	2,928	3,817	363	(194)		
	Weighted average number of ordinary shares outstanding during the period (millions)	4,612	4,596	4,584	4,606	4,645	4,755		
	= Free Cash Flow per share from continuing operations (euros)	0.05	0.27	0.49	0.71	(0.01)	(0.16)		
	= Free Cash Flow per share from discontinued operations (euros)	0.02	0.07	0.15	0.12	0.09	0.12		
	= Free Cash Flow per share	0.06	0.34	0.64	0.83	0.08	(0.04)		

Notes:

- From the first quarter of 2015 Telefónica's operations in the United Kingdom are reported as discontinued operations within the Telefónica Group and their assets and liabilities are classified as "held for sale", in compliance with the IFRS, as a result of the signing of the final sale agreement of the company in March 2015. For comparative purposes, 2014 results are reported using these same criteria, which have been updated to report certain intragroup transactions as discontinued operations.

- For comparative purposes, the quarterly data for 2014 are reported adjusting the exchange rate in Venezuela from SICAD I to SICAD II 50 VEF/USD for the Telefónica Group, Hispanoamérica and Venezuela and Central America following the adoption of SICAD II 50 VEF/USD in the fourth quarter of 2014. The January-March 2015 period is at the previously denominated SICAD II 52 VEF/USD. The April-June 2015 consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the previously denominated SIMADI (as of 30 June, this rate was set at 197 Venezuelan bolivars fuertes per dollar).

- The concept "Free Cash Flow" reflects the amount of cash flow available to remunerate Telefónica S.A. Shareholders, to protect solvency levels (financial debt and commitments), and to accommodate strategic flexibility.

- The differences with the caption "Net Free Cash Flow after CapEx" included in the table presented above, are related to "Free Cash Flow" being calculated before payments related to commitments (payment of labour commitments) and after operations with minority shareholders, due to cash recirculation within the Group.

- 2014 and 2015 reported figures include the hyperinflationary adjustments in Venezuela in both years.

(1) Including cash received from dividends paid by subsidiaries that are not fully consolidated.

(2) Figures in millions of euros. 2015 includes the following spectrum payments: 976 million in Germany, 204 in Argentina, 67 in Ecuador, 49 in Spain 6 in Chile 5 in Colombia and 1 in Nicaragua. In 2014: 79 million in Panama, 62 in Colombia and 13 in Brazil.

(3) In 2015 includes the contribution of minorities in the share capital increase of Telefónica Brasil, the sale of Telecom Italia S.p.A., the sale of yourfone GmbH, the payment for the purchase of GVT and of DTS. In 2014 includes the sale of T. Czech Republic.

(4) Dividends paid by Telefónica S.A., operations with treasury stock, issuance of shares, issuance of undated deeply subordinated securities, issuance of mandatorily convertible bonds into Telefónica S.A. shares and operations with minority shareholders from subsidiaries that are consolidated through the equity method.

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TELEFÓNICA

RECONCILIATIONS OF CASH FLOW AND OIBDA MINUS CAPEX FROM CONTINUING OPERATIONS

Unaudited figures (Euros in millions)

	2014				2015			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan -Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
OIBDA	3,359	6,825	10,415	13,781	3,618	7,320		
- CapEx accrued during the period	(1,337)	(3,061)	(4,918)	(8,681)	(1,682)	(5,094)		
- Payments related to cancellation of commitments	(158)	(405)	(546)	(704)	(266)	(417)		
- Net interest payment	(1,016)	(1,544)	(2,118)	(2,505)	(906)	(1,402)		
- Payment for tax	(57)	(382)	(644)	(1,106)	143	(134)		
- Gain (loss) on sale of fixed assets and impairment of goodwill and other assets	(39)	(50)	(60)	(265)	(59)	(88)		
- Investment in working cap. and other deferred income and expenses	(572)	(287)	(169)	2,390	(1,142)	(943)		
= Net Free Cash Flow after CapEx	180	1,095	1,961	2,909	(294)	(758)		
+ Net Cash received from sale of Real Estate	2	4	6	5	1	2		
- Net payment for financial investment	1,864	2,026	3,299	(517)	(86)	(743)		
- Net payment for operations with minority shareholders and treasury stock	1,164	(935)	(122)	144	(63)	371		
= Free Cash Flow after dividends	3,210	2,190	5,144	2,541	(442)	(1,129)		

Notes:

- From the first quarter of 2015 Telefónica's operations in the United Kingdom are reported as discontinued operations within the Telefónica Group and their assets and liabilities are classified as "held for sale", in compliance with the IFRS, as a result of the signing of the final sale agreement of the company in March 2015. For comparative purposes, 2014 results are reported using these same criteria, which have been updated to report certain intragroup transactions as discontinued operations.

- For comparative purposes, the quarterly data for 2014 are reported adjusting the exchange rate in Venezuela from SICAD I to SICAD II 50 VEF/USD for the Telefónica Group, Hispanoamérica and Venezuela and Central America following the adoption of SICAD II 50 VEF/USD in the fourth quarter of 2014. The January-March 2015 period is at the previously denominated SICAD II 52 VEF/USD. The April-June 2015 consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the previously denominated SIMADI (as of 30 June, this rate was set at 197 Venezuelan bolivars fuertes per dollar).

- The differences with the caption "Net Free Cash Flow after CapEx" included in the table presented above, are related to "Free Cash Flow" being calculated before payments related to commitments (payment of labour commitments) and after operations with minority shareholders, due to cash recirculation within the Group.

- 2014 and 2015 reported figures include the hyperinflationary adjustments in Venezuela in both years.

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TELEFÓNICA

EXCHANGE RATES APPLIED TO P&L AND CAPEX

	2014				2015			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
USA (US Dollar/Euro)	1.370	1.371	1.355	1.326	1.126	1.115		
United Kingdom (Sterling/Euro)	0.828	0.821	0.812	0.806	0.743	0.732		
Argentina (Argentinean Peso/Euro)	10.356	10.693	10.792	10.751	9.788	9.836		
Brazil (Brazilian Real/Euro)	3.230	3.142	3.097	3.117	3.215	3.302		
Chile (Chilean Peso/Euro)	754.848	757.650	759.994	756.710	703.349	692.458		
Colombia (Colombian Peso/Euro)	2,744.855	2,682.533	2,629.282	2,650.032	2,784.003	2,771.265		
Costa Rica (Colon/Euro)	728.863	746.269	738.007	722.022	610.128	602.773		
Guatemala (Quetzal/Euro)	10.658	10.652	10.527	10.255	8.599	8.537		
Mexico (Mexican Peso/Euro)	18.123	17.974	17.770	17.655	16.844	16.882		
Nicaragua (Cordoba/Euro)	34.905	35.143	34.958	34.445	30.140	30.024		
Peru (Peruvian Nuevo Sol/Euro)	3.848	3.838	3.804	3.767	3.444	3.457		
Uruguay (Uruguayan Peso/Euro)	30.325	30.863	31.013	30.779	27.880	28.590		
Venezuela (Bolivar Fuerte/Euro) (1)	68.923	68.273	62.901	60.691	56.057	220.751		

Note: These exchange rates are used to convert the P&L and CapEx accounts of Telefónica foreign subsidiaries from local currency to euros.

EXCHANGE RATES APPLIED TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2014				2015			
	March	June	September	December	March	June	September	December
USA (US Dollar/Euro)	1.379	1.366	1.258	1.214	1.076	1.119		
United Kingdom (Sterling/Euro)	0.828	0.801	0.777	0.779	0.727	0.711		
Argentina (Argentinean Peso/Euro)	11.033	11.108	10.607	10.382	9.492	10.169		
Brazil (Brazilian Real/Euro)	3.120	3.008	3.084	3.225	3.451	3.471		
Chile (Chilean Peso/Euro)	759.965	754.905	754.000	736.654	674.136	715.021		
Colombia (Colombian Peso/Euro)	2,715.480	2,569.327	2,544.283	2,904.688	2,795.576	2,907.661		
Costa Rica (Colon/Euro)	763.359	749.625	686.342	662.252	580.046	605.327		
Guatemala (Quetzal/Euro)	10.655	10.624	9.653	9.223	8.225	8.531		
Mexico (Mexican Peso/Euro)	18.000	17.716	16.903	17.898	16.423	17.550		
Nicaragua (Cordoba/Euro)	35.350	35.445	33.060	32.293	28.964	30.490		
Peru (Peruvian Nuevo Sol/Euro)	3.872	3.817	3.635	3.614	3.332	3.554		
Uruguay (Uruguayan Peso/Euro)	31.208	31.250	31.036	29.543	27.626	30.289		
Venezuela (Bolivar Fuerte/Euro) (1)	60.691	68.273	62.901	60.691	56.057	220.751		

Note: Exchange rates as of the end of the period.

(1) After considering Venezuela as an hyperinflationary country, P&L and CapEx from the operations in the country are to be accounted at the closing exchange rate Bolivar Fuerte/Euro. In 2014 the exchange rate in Venezuela has been modified from SICAD I to SICAD II 50 VEF/USD, following the adoption of SICAD II 50 VEF/USD in the fourth quarter of 2014. The January-March 2015 period is at the previously denominated SICAD II 52 VEF/USD. The January-June consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the denominated SIMADI (as of 30 June, this rate was set at 197 Venezuelan bolivars fuertes per dollar).

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TELEFÓNICA
YEAR TO DATE MAIN FINANCING OPERATIONS
Unaudited figures

	Closing date	Amount (m)	Currency	Issuer			
EQUITY							
Capital increase	17-Apr-15	3,048	EUR	Telefónica, S.A.			
Capital increase	5-May-15	4,044	BRL	Telefónica Brasil, S.A.			
	Issue date	Amount (m)	Currency	Issuer	Coupon	Maturity date	ISIN code
DEBENTURES AND BONDS							
Schuldscheindarlehen/ Namensschuldverschreibung ¹	13-Mar-15	300	EUR	Telefónica Germany, GmbH & Co	2.375%	13-Mar-32	
Eurobond	18-Jun-15	300	EUR	Telefónica Emisiones, S.A.U.	Euribor 3M + 0.33%	Interest Payment Date falling in June 2017	XS1249278976
Eurobond	21-Jul-15	67	EUR	Telefónica Emisiones, S.A.U.	Euribor 6M + 0.83%	Interest Payment Date falling in July 2022	XS1262975995
Bond	24-Jul-15	2	UF	Telefónica Móviles Chile	2.200%	20-Jun-20	BTMOV-G ²
	Issue date	Amount (m)	Currency	Issuer	Coupon	First Call date	ISIN code
UNDATED DEEPLY SUBORDINATED RESET RATE SECURITIES							
Hybrid bond	30-Mar-15	500	USD	Colombia Telecomunicaciones, S.A. ESP	8.500%	30-Mar-20	USP28768AB86
	Signing Date	Amount (m)	Currency	Borrower	Maturity Date		
INTEREST-BEARING DEBT							
Syndicated facility	19-Feb-15	2,500	EUR	Telefónica, S.A.	19-Feb-20		
Syndicated facility ³	19-Feb-15	3,000	EUR	Telefónica, S.A.	18-Feb-19		
Bilateral Loan	30-Jun-15	200	EUR	Telefónica, S.A.	30-Jun-20		
Bilateral Loan	16-Jul-15	175	EUR	Telefónica, S.A.	16-Jul-17		
Bilateral Loan	16-Jul-15	125	EUR	Telefónica, S.A.	19-Mar-19		

1. Maximum coupon and maturity date

2. Santiago Exchange code

3. Amendment to the 3,000 million euros syndicated credit facility arranged on February 18, 2014

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TELEFÓNICA

RECONCILIATION OF REPORTED VS. ORGANIC GROWTH

Unaudited figures (Euros in millions)

REVENUES	2014				2015				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Jun
T. ESPAÑA									
REPORTED DATA	2,992	5,992	8,985	12,023	2,878	5,844			(2.5)
T. ESPAÑA ORGANIC	2,992	5,992	8,985	12,023	2,878	5,844			(2.5)
T. DEUTSCHLAND									
REPORTED DATA	1,122	2,284	3,503	5,522	1,901	3,849			68.6
Changes in the consolidation perimeter	725	1,488	2,271	2,271					
T. DEUTSCHLAND ORGANIC	1,847	3,772	5,774	7,793	1,901	3,849			2.1
T. BRASIL									
REPORTED DATA	2,666	5,484	8,380	11,231	2,794	5,737			4.6
Forex impact					(12)	293			
Changes in the consolidation perimeter		271	706	1,138					
T. BRASIL ORGANIC	2,666	5,755	9,086	12,368	2,781	6,031			4.8
T. HISPAM									
REPORTED DATA	3,066	6,200	9,538	13,155	3,665	7,132			15.0
Forex impact					(282)	(389)			
Hyperinflation in Venezuela	(2)	(29)	(96)	(184)	(184)	47			
T. HISPAM ORGANIC	3,063	6,172	9,441	12,971	3,360	6,790			10.0
TELEFÓNICA									
REPORTED DATA	10,251	20,817	31,577	43,458	11,543	23,419			12.5
Forex impact					(308)	(124)			
Hyperinflation in Venezuela	(3)	(29)	(98)	(187)	(23)	47			
Changes in the consolidation perimeter	603	1,678	3,137	3,804					
TELEFÓNICA ORGANIC	10,852	22,467	34,616	47,076	11,212	23,342			3.9

OIBDA	2014				2015				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Jun
T. ESPAÑA									
REPORTED DATA	1,402	2,745	4,121	5,671	1,282	2,598			(5.3)
Tower sales	(46)	(54)	(54)	(191)	(38)	(38)			
T. ESPAÑA ORGANIC	1,357	2,690	4,066	5,480	1,243	2,560			(4.9)
T. DEUTSCHLAND									
REPORTED DATA	251	515	770	733	408	869			68.5
Restructuring charges			8	415		3			
Changes in the consolidation perimeter	123	271	373	367					
T. DEUTSCHLAND ORGANIC	374	786	1,152	1,515	408	872			10.8
T. BRASIL									
REPORTED DATA	828	1,732	2,613	3,543	840	1,759			1.6
Forex impact					(4)	90			
Tower sales			(1)	(1)					
Restructuring charges				68					
Changes in the consolidation perimeter		105	275	444					
T. BRASIL ORGANIC	828	1,837	2,887	4,054	836	1,849			0.6
T. HISPAM									
REPORTED DATA	912	1,854	2,957	4,068	1,127	2,152			16.1
Forex impact					(85)	(119)			
Hyperinflation in Venezuela		(11)	(40)	(70)	3	22			
Tower sales			(3)	(4)	(1)	(2)			
Restructuring charges				99		7			
T. HISPAM ORGANIC	912	1,842	2,914	4,094	1,044	2,059			11.8
TELEFÓNICA									
REPORTED DATA	3,359	6,825	10,415	13,781	3,618	7,320			7.2
Forex impact					(87)	(29)			
Hyperinflation in Venezuela		(12)	(42)	(72)	3	28			
Tower sales	(46)	(55)	(58)	(196)	(39)	(40)			
Restructuring charges			14	658		16			
Changes in the consolidation perimeter	101	333	601	746					
TELEFÓNICA ORGANIC	3,414	7,091	10,931	14,916	3,495	7,294			2.9

OPERATING INCOME	2014				2015				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Jun
TELEFÓNICA									
REPORTED DATA	1,590	3,334	5,153	6,350	1,511	3,068			(8.0)
Forex impact					(42)	(1)			
Hyperinflation in Venezuela	7	14	(1)	(4)	28	42			
Tower sales	(46)	(55)	(58)	(196)	(39)	(40)			
Restructuring charges			14	658		16			
Changes in the consolidation perimeter	(139)	(227)	(340)	(294)					
TELEFÓNICA ORGANIC	1,413	3,066	4,769	6,514	1,458	3,084			0.6

CAPEX	2014				2015				%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	
T. ESPAÑA									
REPORTED DATA	267	703	1,186	1,732	414	887			26.2
Spectrum acquisition					(22)	(49)			
Real estate efficiency plan			(43)	(49)					
T. ESPAÑA ORGANIC	267	703	1,144	1,683	392	838			19.2
T. DEUTSCHLAND									
REPORTED DATA	132	266	411	849	221	1,658			n.m.
Spectrum acquisition						(1,195)			
Changes in the consolidation perimeter	83	172	313	313					
T. DEUTSCHLAND ORGANIC	215	438	724	1,161	221	463			5.6
T. BRASIL									
REPORTED DATA	310	833	1,348	2,933	395	961			15.4
Forex impact					(2)	49			
Spectrum acquisition				(889)					
Changes in the consolidation perimeter		96	267	443					
T. BRASIL ORGANIC	310	929	1,616	2,487	393	1,010			8.7
T. HISPAM									
REPORTED DATA	579	1,150	1,774	2,842	622	1,474			28.2
Forex impact					(58)	(97)			
Spectrum acquisition	(187)	(189)	(192)	(401)	(115)	(303)			
Hyperinflation in Venezuela		(2)	(12)	(35)	(2)	10			
T. HISPAM ORGANIC	392	959	1,569	2,406	446	1,084			13.1
TELEFÓNICA									
REPORTED DATA	1,337	3,061	4,918	8,681	1,682	5,094			66.4
Forex impact					(61)	(52)			
Spectrum acquisition	(187)	(189)	(192)	(1,290)	(137)	(1,547)			
Hyperinflation in Venezuela		(2)	(12)	(35)	(2)	10			
Real estate efficiency plan			(72)	(78)					
Changes in the consolidation perimeter	68	244	565	748					
TELEFÓNICA ORGANIC	1,219	3,114	5,206	8,026	1,481	3,506			12.6

OpCF (OIBDA-CapEx)	2014				2015				%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	
T. ESPAÑA									
REPORTED DATA	1,136	2,042	2,934	3,939	868	1,711			(16.2)
Tower sales	(46)	(54)	(54)	(191)	(38)	(38)			
Spectrum acquisition					22	49			
Real estate efficiency plan			43	49					
T. ESPAÑA ORGANIC	1,090	1,988	2,923	3,797	852	1,722			(13.4)
T. DEUTSCHLAND									
REPORTED DATA	119	249	360	(116)	187	(789)			n.m.
Spectrum acquisition						1,195			
Restructuring charges			8	415		3			
Changes in the consolidation perimeter	41	99	61	55					
T. DEUTSCHLAND ORGANIC	159	348	428	353	187	409			17.5
T. BRASIL									
REPORTED DATA	518	899	1,265	610	445	798			(11.2)
Forex impact					(2)	41			
Tower sales			(1)	(1)					
Spectrum acquisition				889					
Restructuring charges				68					
Changes in the consolidation perimeter		9	7	1					
T. BRASIL ORGANIC	518	908	1,272	1,567	443	839			(7.6)
T. HISPAM									
REPORTED DATA	334	705	1,183	1,226	505	678			(3.8)
Forex impact					(27)	(22)			
Hyperinflation in Venezuela		(9)	(28)	(35)	6	12			
Tower sales			(3)	(4)	(1)	(2)			
Spectrum acquisition	187	189	192	401	115	303			
Restructuring charges				99		7			
T. HISPAM ORGANIC	520	884	1,345	1,686	598	975			10.4
TELEFÓNICA									
REPORTED DATA	2,022	3,764	5,498	5,100	1,937	2,226			(40.9)
Forex impact					(27)	23			
Spectrum acquisition	187	189	192	1,290	137	1,547			
Hyperinflation in Venezuela		(10)	(30)	(37)	6	18			
Tower sales	(46)	(55)	(58)	(196)	(39)	(40)			
Real estate efficiency plan			72	78					
Restructuring charges			14	658		16			
Changes in the consolidation perimeter	33	88	37	(2)					
TELEFÓNICA ORGANIC	2,195	3,977	5,725	6,891	2,014	3,788			(4.7)

Notes:
- The breakdown of the effects for the reconciliation of reported vs. organic 2015 excludes forex impacts and therefore it assumes average constant exchange rates as of June 2014. Forex impact on those effects is fully included under the "Forex impact" epigraph.

- **Organic criteria:** Assumes constant exchange rates as of 2014 (average FX in 2014). Excludes hyperinflationary accounting in Venezuela in both years and the results of O2 UK for both years after being classified as "discontinued operations", and considers a constant perimeter of consolidation. In OIBDA and OI terms, excludes write-downs, capital gains/losses from the sale of companies, tower sales, material non-recurring impacts and restructuring charges mainly related to the integration processes in Germany and Brazil and the simplification programme. In addition, CapEx excludes investment in spectrum and the Real Estate efficiency plan.

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TELEFÓNICA

REPORTED VS. UNDERLYING

Unaudited figures (Euros in millions)

	January- June			%	
	2015 Reported	2015 Underlying	2014 Underlying	Underlying Change y-o-y	Reported Change y-o-y
Net income	3,693	4,019	2,041	96.9	105.4
Basic earnings per share (euros)	0.75	0.82	0.43	92.1	100.9
		2015	2014		
Reported Net Income		3,693	1,798		
PPAs		266	211		
Tower sales		(29)	(39)		
Amortisation Ireland			(19)		
Restructuring charges		9			
Divestment in Telecom Italia		(285)			
VEF change to SIMADI		364			
Provision of net financial assets in Venezuelan Bolivars			90		
Underlying Net Income		4,019	2,041		

- **Underlying criteria** : Considers reported figures excluding the impact on net income of write-downs, capital gains/losses from companies' disposals, tower sales, material non-recurring impacts and restructuring costs mainly related to the integration processes in Germany and Brazil and the simplification programme, as well as depreciation and amortisation charges arising from purchase price allocation processes. In 2015 the impact from the adoption of the SIMADI exchange system in Venezuela and the divestment in Telecom Italia, S.p.A. are excluded.

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TELEFÓNICA

REPORTED VS. UNDERLYING

Unaudited figures (Euros in millions)

	April - June			%	
	2015 Reported	2015 Underlying	2014 Underlying	Underlying Change y-o-y	Reported Change y-o-y
Net income	1,891	2,097	1,192	76.0	70.4
Basic earnings per share (euros)	0.75	0.42	0.25	67.5	62.1
		2015	2014		
Reported Net Income		1,891	1,110		
PPAs		119	108		
Tower sales		(1)	(7)		
Amortisation Ireland			(19)		
Restructuring charges		9			
Divestment in Telecom Italia		(285)			
VEF change to SIMADI		364			
Underlying Net Income		2,097	1,191		

- **Underlying criteria** : Considers reported figures excluding the impact on net income of write-downs, capital gains/losses from companies' disposals, tower sales, material non-recurring impacts and restructuring costs mainly related to the integration processes in Germany and Brazil and the simplification programme, as well as depreciation and amortisation charges arising from purchase price allocation processes. In 2015 the impact from the adoption of the SIMADI exchange system in Venezuela and the divestment in Telecom Italia, S.p.A. are excluded.

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TELEFÓNICA ESPAÑA
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec
Revenues	2,992	3,000	2,993	3,038	12,023	2,878	2,966			
Revenues ex-handset revenues	2,851	2,824	2,848	2,832	11,355	2,752	2,799			
Wireless Business	1,155	1,144	1,118	1,138	4,556	1,024	1,108			
Mobile service revenues	1,014	968	974	932	3,888	897	940			
Data revenues	377	373	379	379	1,508	376	395			
Handset revenues	141	176	144	207	668	126	167			
Wireline Business	2,079	2,105	2,134	2,225	8,543	2,120	2,185			
FBB and new services (1)	1,040	1,073	1,115	1,141	4,368	1,149	1,196			
Voice & access revenues	921	897	876	854	3,547	779	773			
Other	119	134	144	230	627	192	215			
Internal expenditure capitalized in fixed assets	75	75	73	92	316	88	82			
Operating expenses	(1,714)	(1,755)	(1,714)	(1,783)	(6,965)	(1,735)	(1,753)			
Supplies	(587)	(649)	(644)	(712)	(2,592)	(604)	(641)			
Personnel expenses	(526)	(531)	(544)	(538)	(2,139)	(557)	(552)			
Other operating expenses	(602)	(575)	(525)	(533)	(2,234)	(573)	(559)			
Other net income (expense)	5	8	15	3	32	5	(5)			
Gain (loss) on sale of fixed assets	43	13	11	202	268	46	26			
Impairment of goodwill and other assets	0	1	(1)	(2)	(3)	0	0			
Operating income before D&A (OIBDA)	1,402	1,342	1,376	1,551	5,671	1,282	1,316			
OIBDA Margin	46.9%	44.7%	46.0%	51.0%	47.2%	44.5%	44.4%			
CapEx	267	436	484	546	1,732	414	473			
Spectrum	-	-	-	-	-	22	27			
OpCF (OIBDA-CapEx)	1,136	907	892	1,005	3,939	868	843			

Note:

- OIBDA and OI before management and brand fees.

(1) Includes FBB connectivity services (retail and wholesale), including value-added services, TV services, ICT revenues and other services over connectivity.

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TELEFÓNICA ESPAÑA

ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	35,588.4	35,702.4	35,845.3	35,836.7	35,882.6	35,591.8		
Fixed telephony accesses (1)	10,883.9	10,715.4	10,595.2	10,447.8	10,321.9	10,126.6		
Internet and data accesses	5,909.5	5,913.8	5,920.9	5,928.7	5,972.7	5,905.1		
Broadband (2)	5,860.3	5,862.0	5,872.7	5,885.9	5,928.3	5,861.0		
Fibre	701.3	861.0	1,068.9	1,316.8	1,560.3	1,720.7		
Mobile accesses	18,064.7	17,863.6	17,749.7	17,575.4	17,448.6	17,330.7		
Prepay	3,996.7	3,767.8	3,559.2	3,328.1	3,122.6	2,989.1		
Contract	14,068.0	14,095.8	14,190.5	14,247.3	14,325.9	14,341.6		
M2M	1,446.6	1,491.9	1,566.9	1,612.4	1,662.4	1,726.5		
Pay TV (3)	730.3	1,209.5	1,579.4	1,884.7	2,139.5	2,229.3		
Wholesale Accesses	5,150.3	5,238.0	5,309.0	5,366.0	5,333.6	5,286.7		
Unbundled loops	3,910.8	3,979.1	4,034.1	4,087.3	4,007.1	3,908.6		
Wholesale circuits and line rentals	1,239.5	1,258.9	1,274.9	1,278.7	1,326.5	1,378.1		
Total Accesses	40,738.7	40,940.4	41,154.3	41,202.7	41,216.2	40,878.5		

(1) Includes fixed wireless and VoIP accesses.

(2) Includes ADSL, satellite, fibre and broadband circuits.

(3) From the second quarter of 2014, Pay TV accesses include 131 thousand "TV Mini" customers.

MOBILE ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Prepay percentage (%)	22.1%	21.1%	20.1%	18.9%	17.9%	17.2%		
Contract percentage (%)	77.9%	78.9%	79.9%	81.1%	82.1%	82.8%		
Smartphones ('000)	8,738.2	8,989.7	9,008.8	9,535.9	9,801.4	9,877.2		
Prepay	567.2	590.4	442.5	404.2	365.7	351.4		
Contract	8,171.0	8,399.3	8,566.3	9,131.7	9,435.7	9,525.8		
Smartphone penetration (%)	53.6%	55.9%	56.5%	60.6%	62.8%	64.0%		
Prepay (%)	14.2%	15.7%	12.4%	12.2%	11.7%	11.8%		
Contract (%)	66.4%	68.1%	69.2%	73.5%	75.6%	76.5%		
LTE ('000)	959.2	1,205.7	1,409.6	1,792.6	2,159.0	2,554.0		
LTE penetration (%)	5.8%	7.4%	8.7%	11.2%	13.7%	16.4%		

FUSIÓN ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Fusión Customers	3,221.3	3,389.3	3,557.5	3,716.9	3,905.9	3,921.8		
Fibre 100/300	505.3	577.1	649.2	774.8	910.3	976.3		
IPTV	538.7	922.0	1,320.7	1,660.2	1,935.9	2,046.5		
Mobile add-ons	1,245.0	1,303.6	1,352.9	1,394.9	1,436.2	1,453.9		

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fusión ARPU (EUR)	70.2	68.8	69.7	69.3	69.6	71.8		
Fusión churn	1.3%	1.1%	1.0%	1.1%	0.9%	1.4%		

	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dic	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dic
	Fusión ARPU (EUR)	70.2	69.4	69.5	69.5	69.6	70.7	
Fusión churn	1.3%	1.2%	1.1%	1.1%	0.9%	1.2%		

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	8,588	8,988	8,992	9,033	8,869	9,180		
Data traffic (TB)	14,058	15,197	18,295	22,278	24,874	29,826		
ARPU (EUR)	16.1	16.0	16.0	15.5	15.0	15.3		
Prepay	6.3	6.0	6.6	5.9	5.5	5.6		
Contract (1)	21.0	20.8	20.6	20.0	19.2	19.6		
Data ARPU (EUR)	6.9	6.9	7.1	7.1	7.2	7.6		
% non-SMS over data revenues	94.8%	95.4%	94.5%	95.3%	95.5%	95.5%		
Churn	3.5%	2.0%	1.8%	1.9%	1.8%	1.6%		
Contract (1)	2.2%	1.7%	1.5%	1.5%	1.5%	1.4%		

	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
	Voice traffic (Million minutes)	8,588	17,575	26,567	35,600	8,869	18,049	
Data traffic (TB)	14,058	29,255	47,549	69,827	24,874	54,700		
ARPU (EUR)	16.1	16.0	16.0	15.9	15.0	15.2		
Prepay	6.3	6.1	6.3	6.2	5.5	5.6		
Contract (1)	21.0	20.9	20.8	20.6	19.2	19.4		
Data ARPU (EUR)	6.9	6.9	7.0	7.0	7.2	7.4		
% non-SMS over data revenues	94.8%	95.1%	94.9%	95.0%	95.5%	95.5%		
Churn	3.5%	2.8%	2.5%	2.3%	1.8%	1.7%		
Contract (1)	2.2%	1.9%	1.8%	1.7%	1.5%	1.4%		

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

- Voice traffic is defined as minutes used by the company customers, both outbound and inbound. On-net traffic is only included once (outbound), and promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is excluded. Traffic volume non-rounded.

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10¹² bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is also included. Traffic volume non-rounded.

(1) Excludes M2M.

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TELEFÓNICA DEUTSCHLAND
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec
Revenues	1,122	1,162	1,219	2,019	5,522	1,901	1,949			
Wireless Business	827	872	934	1,742	4,375	1,636	1,685			
Mobile service revenues	707	728	754	1,391	3,580	1,354	1,382			
Data revenues	350	354	366	723	1,793	692	707			
Handset revenues	120	144	180	350	795	282	303			
Wireline Business	293	287	283	274	1,138	261	260			
FBB and new services (1)	209	205	205	197	815	197	202			
Voice & access revenues	81	78	75	72	306	63	58			
Other	4	5	4	5	18	1	1			
Internal expenditure capitalized in fixed assets	17	18	23	34	92	23	26			
Operating expenses	(898)	(916)	(997)	(2,006)	(4,817)	(1,543)	(1,504)			
Supplies	(427)	(455)	(499)	(762)	(2,144)	(659)	(646)			
Personnel expenses	(108)	(105)	(116)	(498)	(828)	(179)	(166)			
Other operating expenses	(362)	(356)	(383)	(745)	(1,846)	(705)	(692)			
Other net income (expense)	9	1	11	(85)	(64)	10	(10)			
Gain (loss) on sale of fixed assets	0	0	0	0	0	17	0			
Impairment of goodwill and other assets	-	-	-	-	-	-	-			
Operating income before D&A (OIBDA)	251	265	255	(38)	733	408	461			
OIBDA Margin	22.3%	22.8%	20.9%	-1.9%	13.3%	21.5%	23.6%			
CapEx	132	134	145	438	849	221	1,437			
Spectrum	-	-	-	-	-	-	1,195			
OpCF (OIBDA-CapEx)	119	130	110	(476)	(116)	187	(976)			

Notes:

- The consolidated income statement of T. Deutschland includes E-Plus from the fourth quarter 2014.

- OIBDA and OI before management and brand fees.

(1) Includes FBB connectivity services (retail and wholesale), including value-added services, TV services, ICT revenues and other services over connectivity.

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TELEFÓNICA DEUTSCHLAND
ACCESSES
Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	23,875.7	23,964.3	24,113.2	46,548.3	46,572.8	46,981.4		
Fixed telephony accesses (1)	2,109.1	2,078.2	2,050.9	2,036.4	2,022.0	2,009.7		
Internet and data accesses	2,491.7	2,450.2	2,413.4	2,387.0	2,371.6	2,354.7		
Broadband	2,225.9	2,191.4	2,160.8	2,143.8	2,128.3	2,115.2		
Mobile accesses	19,274.9	19,435.9	19,648.9	42,124.9	42,179.2	42,617.0		
Prepay	8,910.9	8,919.7	8,989.3	23,350.7	23,264.2	23,500.9		
Contract (2)	10,364.0	10,516.1	10,659.6	18,774.1	18,915.0	19,116.1		
M2M	94.6	97.5	106.0	414.0	443.4	506.2		
Wholesale Accesses	1,128.0	1,151.8	1,137.6	1,113.3	1,085.3	1,059.3		
Total Accesses	25,003.7	25,116.1	25,250.8	47,661.5	47,658.1	48,040.7		

Note:

- E-Plus accesses are consolidated from the fourth quarter 2014.

(1) Includes fixed wireless and VoIP accesses.

(2) In the fourth quarter of 2014, 428 thousand accesses were excluded from customer base on adjustments in the former E-Plus driven by the harmonization of criteria and the disconnection of a partner.

MOBILE ACCESSES
Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Prepay percentage (%)	46.2%	45.9%	45.7%	55.4%	55.2%	55.1%		
Contract percentage (%)	53.8%	54.1%	54.3%	44.6%	44.8%	44.9%		
Smartphones ('000) (1)	5,957.2	6,057.2	6,230.7	11,422.2	20,364.1	21,153.4		
Prepay	792.1	773.1	791.0	1,450.6	9,086.7	9,538.8		
Contract	5,165.1	5,284.1	5,439.6	9,971.6	11,277.4	11,614.6		
Smartphone penetration (%) (1)	32.8%	33.1%	33.8%	29.0%	49.8%	51.3%		
Prepay (%)	9.4%	9.1%	9.3%	6.4%	39.6%	41.1%		
Contract (%)	53.2%	53.9%	55.0%	59.2%	63.0%	64.4%		
LTE ('000) (1)	464.0	667.2	963.3	3,098.0	5,146.0	6,093.0		
LTE penetration (%) (1)	2.4%	3.5%	4.9%	7.4%	12.3%	14.5%		

Note:

- E-Plus accesses are consolidated from the fourth quarter 2014.

(1) Smartphones from partners are included from January 2015.

SELECTED OPERATIONAL MOBILE BUSINESS DATA
Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	7,572	7,775	7,398	18,441	15,837	15,492		
Data traffic (TB)	10,569	11,247	12,898	37,159	40,172	42,255		
ARPU (EUR)	12.1	12.5	12.7	10.9	10.6	10.8		
Prepay	5.0	5.2	5.3	5.6	5.6	5.9		
Contract (1)	18.5	18.8	19.1	17.7	17.2	17.2		
Data ARPU (EUR)	6.0	6.1	6.2	5.7	5.5	5.6		
% non-SMS over data revenues	72.0%	72.5%	73.8%	68.9%	70.5%	71.5%		
Churn	2.4%	1.9%	1.9%	2.9%	2.4%	2.1%		
Contract (1)	1.6%	1.3%	1.5%	2.7%	1.7%	1.7%		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	7,572	15,347	22,745	41,186	15,837	31,329		
Data traffic (TB)	10,569	21,815	34,714	71,873	40,172	82,427		
ARPU (EUR)	12.1	12.3	12.4	11.8	10.6	10.7		
Prepay	5.0	5.1	5.2	5.4	5.6	5.8		
Contract (1)	18.5	18.7	18.8	18.4	17.2	17.2		
Data ARPU (EUR)	6.0	6.1	6.1	5.9	5.5	5.5		
% non-SMS over data revenues	72.0%	72.3%	72.8%	71.2%	70.5%	71.0%		
Churn	2.4%	2.1%	2.1%	2.4%	2.4%	2.3%		
Contract (1)	1.6%	1.4%	1.5%	1.9%	1.7%	1.7%		

Notes:

- E-Plus operational data included from 1 October 2014.

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

- Voice traffic is defined as minutes used by the company customers, both outbound and inbound. On-net traffic is only included once (outbound), and promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is excluded. Traffic volume non-rounded.

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10¹² bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is also included. Traffic volume non-rounded.

(1) Excludes M2M.

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TELEFÓNICA BRASIL
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	2,666	2,818	2,896	2,850	11,231	2,794	2,943			
Wireless Business	1,783	1,904	1,971	1,960	7,617	1,942	1,831			
Mobile service revenues	1,686	1,808	1,868	1,865	7,228	1,836	1,718			
Data revenues	547	612	654	666	2,478	718	737			
Handset revenues	97	96	102	94	390	105	113			
Wireline Business	883	914	926	890	3,613	852	1,112			
FBB and new services (1)	343	372	383	368	1,465	363	507			
Voice & access revenues	532	533	534	514	2,113	481	598			
Others	9	8	9	8	34	8	8			
Internal exp. capitalized in fixed assets	12	12	11	12	48	10	28			
Operating expenses	(1,835)	(1,939)	(2,016)	(1,952)	(7,742)	(1,933)	(2,057)			
Supplies	(654)	(666)	(696)	(664)	(2,680)	(665)	(671)			
Personnel expenses	(216)	(230)	(238)	(292)	(976)	(220)	(280)			
Other operating expenses	(965)	(1,043)	(1,082)	(996)	(4,085)	(1,048)	(1,106)			
Other net income (expense)	(13)	14	(9)	15	7	(28)	4			
Gain (loss) on sale of fixed assets	(4)	(2)	(1)	1	(6)	(2)	(2)			
Impairment of goodwill and other assets	1	1	(1)	4	4	(1)	3			
Operating income before D&A (OIBDA)	828	904	881	929	3,543	840	919			
OIBDA Margin	31.1%	32.1%	30.4%	32.6%	31.5%	30.1%	31.2%			
CapEx	310	523	515	1,585	2,933	395	566			
Spectrum	-	-	-	889	889	-	-			
OpCF (OIBDA-CapEx)	518	381	366	(656)	610	445	354			

Note:

- The Consolidated Income Statement of Telefónica Brasil includes GVT from 1 May 2015.

- OIBDA and OI before management and brand fees.

(1) Includes FBB connectivity services (retail and wholesale), including value-added services, TV services, ICT revenues and other services over connectivity.

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TELEFONICA BRASIL

ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	94,028.1	95,071.1	95,601.5	95,528.6	97,339.9	106,528.1		
Fixed telephony accesses (1) (2)	10,828.1	10,929.1	10,942.1	10,743.4	10,609.4	14,869.6		
Internet and data accesses	4,094.5	4,103.5	4,114.8	4,082.6	4,066.5	7,224.0		
Broadband (3)	3,933.0	3,944.9	3,961.6	3,939.8	3,926.5	7,092.4		
Fibre (4)	235.8	273.3	322.1	374.6	428.5	3,640.8		
Mobile accesses	78,460.8	79,350.7	79,817.0	79,932.1	81,873.2	82,648.6		
Prepay	53,552.8	53,188.5	52,639.8	51,582.4	52,972.3	53,068.7		
Contract	24,908.0	26,162.3	27,177.2	28,349.7	28,900.8	29,580.0		
M2M	2,629.0	2,920.1	3,197.5	3,506.9	3,687.5	3,935.2		
Pay TV (5)	644.8	687.8	727.6	770.6	790.9	1,785.9		
Wholesale Accesses	27.5	27.0	26.2	25.9	25.4	23.6		
Total Accesses T. Brasil	94,055.6	95,098.1	95,627.7	95,554.5	97,365.2	106,551.7		
Terra Accesses	379.3	361.8	329.9	329.9	269.0	269.0		

Note:

- GVT accesses are consolidated from the 1 May 2015.

(1) Includes fixed wireless and VoIP accesses.

(2) From 1 May 2015 4.3 million GVT accesses are included.

(3) Includes ADSL, satellite, fibre, cable modem and broadband circuits.

(4) From 1 May 2015 3.2 million GVT fibre (FTTN) accesses are included.

(5) From 1 May 2015 1.0 million GVT accesses are included.

MOBILE ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Prepay percentage (%)	68.3%	67.0%	66.0%	64.5%	64.7%	64.2%		
Contract percentage (%)	31.7%	33.0%	34.0%	35.5%	35.3%	35.8%		
Smartphones ('000)	20,227.6	23,190.9	28,950.0	30,076.8	30,216.9	32,732.7		
Prepay	12,117.3	14,231.3	18,758.7	18,997.3	18,710.6	19,372.1		
Contract	8,110.3	8,959.6	10,191.3	11,079.5	11,506.3	13,360.6		
Smartphone penetration (%)	28.0%	31.8%	39.5%	41.1%	40.3%	43.3%		
Prepay (%)	22.7%	26.8%	35.8%	37.0%	35.5%	36.7%		
Contract (%)	43.0%	45.1%	49.1%	50.9%	51.8%	58.8%		
LTE ('000)	858.0	1,281.2	1,768.0	3,506.9	3,943.1	5,691.1		
LTE penetration (%)	1.2%	1.8%	2.4%	4.8%	5.0%	7.2%		

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	31,500	30,503	31,536	33,872	31,398	32,493		
Data traffic (TB)	43,342	48,337	56,879	64,154	65,043	68,799		
ARPU (EUR)	7.0	7.3	7.5	7.4	7.2	6.5		
Prepay	3.8	3.9	4.0	4.0	3.8	3.3		
Contract (1)	15.3	15.8	16.0	15.6	15.3	14.2		
Data ARPU (EUR)	2.3	2.6	2.7	2.8	3.0	3.0		
% non-SMS over data revenues	75.1%	76.3%	78.0%	79.8%	81.6%	82.5%		
Churn	3.4%	3.5%	3.7%	4.0%	2.9%	3.2%		
Contract (1)	1.5%	1.5%	1.8%	1.7%	1.8%	1.9%		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	31,500	62,004	93,540	127,412	31,398	63,891		
Data traffic (TB)	43,342	91,679	148,558	212,712	65,043	133,842		
ARPU (EUR)	7.0	7.1	7.2	7.3	7.2	6.9		
Prepay	3.8	3.9	3.9	3.9	3.8	3.5		
Contract (1)	15.3	15.5	15.7	15.7	15.3	14.7		
Data ARPU (EUR)	2.3	2.5	2.6	2.6	3.0	3.0		
% non-SMS over data revenues	75.1%	75.7%	76.5%	77.4%	81.6%	82.1%		
Churn	3.4%	3.5%	3.6%	3.7%	2.9%	3.0%		
Contract (1)	1.5%	1.5%	1.6%	1.6%	1.8%	1.8%		

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

- Voice traffic is defined as minutes used by the company customers, both outbound and inbound. On-net traffic is only included once (outbound), and promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is excluded. Traffic volume non-rounded.

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10¹² bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is also included. Traffic volume non rounded.

(1) Excludes M2M.

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TELEFÓNICA HISPANOAMÉRICA
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	3,066	3,135	3,337	3,617	13,155	3,665	3,467			
Internal exp. capitalized in fixed assets	24	27	23	30	104	27	28			
Operating expenses	(2,193)	(2,246)	(2,276)	(2,569)	(9,284)	(2,583)	(2,489)			
Supplies	(925)	(923)	(927)	(1,066)	(3,841)	(1,030)	(1,012)			
Personnel expenses	(338)	(344)	(363)	(480)	(1,525)	(418)	(408)			
Other operating expenses	(930)	(979)	(985)	(1,023)	(3,918)	(1,135)	(1,069)			
Other net income (expense)	17	27	15	29	89	17	15			
Gain (loss) on sale of fixed assets	(1)	(1)	2	4	4	0	3			
Impairment of goodwill and other assets	-	-	-	-	-	-	0			
Operating income before D&A (OIBDA)	912	942	1,103	1,111	4,068	1,127	1,025			
OIBDA Margin	29.8%	30.0%	33.0%	30.7%	30.9%	30.8%	29.6%			
CapEx	579	571	624	1,068	2,842	622	852			
Spectrum	187	3	3	213	405	139	205			
OpCF (OIBDA-CapEx)	334	371	479	42	1,226	505	173			

- Notes:

- For comparative purposes, the quarterly data for 2014 are reported adjusting the exchange rate in Venezuela from SICAD I to SICAD II 50 VEF/USD for Hispanoamérica and Venezuela and Central America following the adoption of SICAD II 50 VEF/USD in the fourth quarter of 2014. The January-March 2015 period is at the previously denominated SICAD II 52 VEF/USD. The April-June 2015 consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the previously denominated SIMADI (as of 30 June, this rate was set at 197 Venezuelan bolivars fuertes per dollar).

- OIBDA and OI before management and brand fees.

- 2014 and 2015 reported figures include the hyperinflationary adjustments in Venezuela in both years.

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TELEFÓNICA HISPANOAMÉRICA
ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	127,595.0	128,691.4	129,347.1	131,586.6	132,461.8	132,247.2		
Fixed telephony accesses (1) (2)	13,561.0	13,603.4	13,515.7	13,374.4	13,266.5	13,158.7		
Internet and data accesses	5,194.5	5,285.0	5,371.3	5,433.8	5,516.0	5,573.4		
Broadband (3)	5,134.5	5,228.7	5,315.1	5,379.4	5,452.7	5,514.1		
Mobile accesses	106,647.6	107,508.3	108,117.1	110,346.5	111,143.1	110,866.4		
Prepay (4)	83,703.0	84,197.0	84,688.7	86,698.0	87,454.6	87,077.4		
Contract	22,944.6	23,311.3	23,428.4	23,648.5	23,688.6	23,789.1		
M2M	1,873.3	1,923.3	1,970.9	2,062.2	2,125.9	2,144.8		
Pay TV	2,192.0	2,294.6	2,343.0	2,431.9	2,536.2	2,648.6		
Wholesale Accesses	21.8	21.8	112.7	16.4	31.4	31.4		
Total Accesses T. Hispanoamerica	127,616.8	128,713.1	129,459.8	131,603.0	132,493.2	132,278.6		

(1) Includes fixed wireless and VoIP accesses.

(2) In the second quarter of 2014, fixed telephony accesses include 50 thousand fixed wireless additional customers in Peru.

(3) Includes ADSL, satellite, fibre, cable modem and broadband circuits.

(4) In the fourth quarter of 2014, 1.8 million inactive accesses were disconnected in Central America.

MOBILE ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Prepay percentage (%)	78.5%	78.3%	78.3%	78.6%	78.7%	78.5%		
Contract percentage (%)	21.5%	21.7%	21.7%	21.4%	21.3%	21.5%		
Smartphones ('000)	23,057.9	25,092.5	27,257.6	27,992.8	31,048.7	35,420.7		
Prepay	12,002.8	13,445.2	15,356.9	15,687.5	18,205.6	21,877.1		
Contract	11,055.1	11,647.3	11,900.7	12,305.3	12,843.1	13,543.6		
Smartphone penetration (%)	22.4%	24.2%	26.1%	26.3%	28.9%	33.0%		
Prepay (%)	14.5%	16.1%	18.3%	18.3%	21.0%	25.3%		
Contract (%)	55.2%	57.1%	58.0%	59.4%	61.9%	64.9%		
LTE ('000)	348.3	632.8	1,113.3	1,989.8	2,811.4	4,233.6		
LTE penetration (%)	0.3%	0.6%	1.1%	1.8%	2.6%	3.9%		

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TELEFÓNICA ARGENTINA
SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	716	718	773	855	3,063	935	981			
Wireless Business	467	470	509	561	2,007	599	637			
Mobile service revenues	404	392	422	479	1,697	529	557			
Data revenues	201	195	199	195	790	201	287			
Handset revenues	64	78	86	82	310	71	79			
Wireline Business	249	248	264	294	1,055	336	344			
FBB and new services (1)	129	130	141	164	564	189	196			
Voice & access revenues	108	105	111	118	442	131	130			
Others	12	13	13	12	50	15	18			
OIBDA	187	169	199	248	802	273	266			
OIBDA margin (2)	25.6%	23.1%	25.3%	28.6%	25.8%	28.8%	26.8%			
CapEx	114	115	99	349	676	146	363			
Spectrum	-	-	-	168	168	-	204			
OpCF (OIBDA-CapEx)	73	54	100	(101)	126	127	(97)			

Notes:

- OIBDA is presented before management and brand fees.

(1) Includes FBB connectivity services (retail and wholesale), including value-added services, TV services, ICT revenues and other services over connectivity.

(2) Margin over revenues includes fixed to mobile interconnection.

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TELEFÓNICA ARGENTINA

ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	26,300.0	26,159.9	25,910.5	26,629.1	26,318.5	26,236.0		
Fixed telephony accesses (1)	4,812.7	4,779.6	4,750.4	4,726.8	4,693.2	4,669.3		
Fixed wireless	342.8	323.0	304.5	296.0	285.9	286.4		
Internet and data accesses	1,845.4	1,854.5	1,870.7	1,880.2	1,880.7	1,877.8		
Broadband (2)	1,834.2	1,842.3	1,859.0	1,870.5	1,871.8	1,869.9		
Mobile accesses	19,641.9	19,525.8	19,289.4	20,022.1	19,744.6	19,688.9		
Prepay	12,649.6	12,522.0	12,337.2	12,957.6	12,778.0	12,859.0		
Contract	6,992.3	7,003.8	6,952.1	7,064.5	6,966.5	6,829.9		
M2M	452.6	454.9	470.8	470.7	455.4	446.9		
Wholesale Accesses	14.0	13.9	104.9	8.4	23.3	23.5		
Total Accesses	26,314.0	26,173.9	26,015.4	26,637.6	26,341.7	26,259.5		

(1) Includes fixed wireless and VoIP accesses.

(2) Includes ADSL, satellite, fibre, cable modem and broadband circuits.

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	5,480	5,773	5,870	5,959	5,674	6,345		
Data traffic (TB)	5,836	6,549	7,284	8,541	10,069	11,491		
ARPU (EUR)	7.0	6.8	7.4	8.3	9.1	9.9		
Prepay	2.1	2.2	2.3	2.7	2.7	2.9		
Contract (1)	16.7	15.9	17.6	19.4	22.3	24.0		
Data ARPU (EUR)	3.4	3.3	3.4	3.3	3.4	4.3		
% non-SMS over data revenues	57.9%	59.1%	61.5%	57.3%	56.2%	78.1%		
Churn	3.2%	3.2%	3.1%	2.6%	3.1%	2.9%		
Contract (1)	1.1%	1.2%	1.2%	1.0%	1.1%	1.5%		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	5,480	11,253	17,123	23,081	5,674	12,020		
Data traffic (TB)	5,836	12,385	19,669	28,210	10,069	21,560		
ARPU (EUR)	7.0	6.9	7.1	7.4	9.1	9.5		
Prepay	2.1	2.2	2.2	2.3	2.7	2.8		
Contract (1)	16.7	16.3	16.7	17.4	22.3	23.1		
Data ARPU (EUR)	3.4	3.4	3.4	3.4	3.4	4.1		
% non-SMS over data revenues	57.9%	58.5%	59.5%	59.0%	56.2%	68.8%		
Churn	3.2%	3.2%	3.2%	3.0%	3.1%	3.0%		
Contract (1)	1.1%	1.1%	1.1%	1.1%	1.1%	1.3%		

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

- Voice traffic is defined as minutes used by the company customers, both outbound and inbound. On-net traffic is only included once (outbound), and promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOS, interconnection of third parties and other business lines) is excluded. Traffic volume non-rounded.

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10¹² bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOS, interconnection of third parties and other business lines) is also included. Traffic volume non-rounded.

(1) Excludes M2M.

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TELEFÓNICA CHILE
SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	525	507	507	551	2,089	565	590			
Wireless Business	319	300	302	326	1,247	339	347			
Mobile service revenues	287	269	273	284	1,113	304	313			
Data revenues	72	76	86	85	318	98	109			
Handset revenues	32	31	29	42	134	35	34			
Wireline Business	205	207	205	225	842	226	243			
FBB and new services (1)	125	129	132	145	530	152	170			
Voice & access revenues	76	74	69	76	295	70	69			
Others	4	4	4	4	17	4	4			
OIBDA	167	170	179	192	708	176	203			
OIBDA margin	31.8%	33.5%	35.4%	34.9%	33.9%	31.1%	34.4%			
CapEx	91	116	111	111	429	123	115			
Spectrum	-	-	-	-	-	-	-			
OpCF (OIBDA-CapEx)	76	54	68	81	279	53	88			

Notes:

- OIBDA is presented before management and brand fees.

(1) Includes FBB connectivity services (retail and wholesale), including value-added services, TV services, ICT revenues and other services over connectivity.

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TELEFÓNICA CHILE

ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	13,566.9	13,576.0	13,586.1	13,888.1	13,861.3	13,610.4		
Fixed telephony accesses (1)	1,631.0	1,616.8	1,593.9	1,579.0	1,557.7	1,537.4		
Internet and data accesses	984.5	1,005.3	1,030.5	1,047.7	1,067.9	1,093.6		
Broadband (2)	977.0	998.7	1,023.4	1,040.7	1,056.7	1,082.5		
Fibre	38.8	47.3	55.9	63.7	73.8	82.8		
Mobile accesses	10,424.3	10,394.0	10,381.4	10,660.2	10,619.5	10,345.1		
Prepay	7,693.6	7,595.2	7,563.7	7,856.6	7,817.5	7,503.0		
Contract	2,730.7	2,798.7	2,817.7	2,803.6	2,802.0	2,842.1		
M2M	306.5	322.0	319.9	307.3	293.0	291.0		
Pay TV	527.1	559.9	580.3	601.3	616.2	634.3		
Wholesale Accesses	5.4	5.4	5.4	5.6	5.9	5.9		
Total Accesses	13,572.3	13,581.4	13,591.5	13,893.8	13,867.2	13,616.3		

(1) Includes fixed wireless and VoIP accesses.

(2) Includes ADSL, satellite, fibre, cable modem and broadband circuits.

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	3,151	3,107	3,095	3,239	3,148	3,043		
Data traffic (TB)	11,510	13,550	14,686	15,895	14,616	19,302		
ARPU (EUR)	8.9	8.4	8.6	9.0	9.4	9.7		
Prepay	3.9	3.6	3.6	3.7	3.8	3.8		
Contract (1)	25.8	24.4	24.7	26.1	27.8	28.7		
Data ARPU (EUR)	2.3	2.4	2.7	2.7	3.1	3.4		
% non-SMS over data revenues	89.2%	91.6%	93.3%	93.4%	94.0%	93.5%		
Churn	3.3%	3.1%	3.2%	3.3%	3.2%	3.7%		
Contract (1)	1.7%	1.7%	2.0%	2.1%	1.9%	1.9%		

	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
	Voice traffic (Million minutes)	3,151	6,259	9,354	12,593	3,148	6,191	
Data traffic (TB)	11,510	25,059	39,745	55,640	14,616	33,918		
ARPU (EUR)	8.9	8.7	8.6	8.7	9.4	9.5		
Prepay	3.9	3.7	3.7	3.7	3.8	3.8		
Contract (1)	25.8	25.1	24.9	25.2	27.8	28.2		
Data ARPU (EUR)	2.3	2.4	2.5	2.5	3.1	3.3		
% non-SMS over data revenues	89.2%	90.4%	91.5%	91.9%	94.0%	93.7%		
Churn	3.3%	3.2%	3.2%	3.2%	3.2%	3.4%		
Contract (1)	1.7%	1.7%	1.8%	1.9%	1.9%	1.9%		

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

- Voice traffic is defined as minutes used by the company customers, both outbound and inbound. On-net traffic is only included once (outbound), and promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is excluded. Traffic volume non-rounded.

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10¹² bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is also included. Traffic volume non-rounded.

(1) Excludes M2M.

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TELEFÓNICA PERÚ
SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	588	603	646	666	2,504	692	684			
Wireless Business	331	336	373	386	1,427	394	385			
Mobile service revenues (1)	290	296	322	342	1,250	354	342			
Data revenues	73	74	87	100	335	110	114			
Handset revenues	40	41	51	44	177	40	43			
Wireline Business	258	266	273	280	1,077	298	299			
FBB and new services (2)	166	177	180	182	705	207	214			
Voice & access revenues	88	83	88	92	351	87	79			
Others	4	6	5	6	21	4	5			
OIBDA	218	208	257	162	844	238	212			
OIBDA margin	37.0%	34.4%	39.7%	24.3%	33.7%	34.4%	31.0%			
CapEx	50	100	114	158	421	63	118			
Spectrum	-	-	-	-	-	-	-			
OpCF (OIBDA-CapEx)	168	108	143	4	423	175	93			

Notes:

- OIBDA is presented before management and brand fees.

(1) Includes fixed wireless revenues.

(2) Includes FBB connectivity services (retail and wholesale), including value-added services, TV services, ICT revenues and other services over connectivity.

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TELEFÓNICA PERÚ
ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	21,081.6	21,287.9	21,632.6	21,976.4	22,083.4	22,104.2		
Fixed telephony accesses (1)	2,725.7	2,776.9	2,749.3	2,714.7	2,641.4	2,605.8		
Fixed wireless (2)	251.4	292.8	280.2	262.7	191.2	229.8		
Internet and data accesses	1,457.2	1,490.7	1,505.2	1,523.4	1,557.4	1,589.2		
Broadband (3)	1,431.8	1,468.8	1,483.2	1,501.3	1,529.7	1,564.4		
Mobile accesses	16,012.9	16,133.1	16,489.0	16,790.2	16,870.2	16,819.1		
Prepay	11,377.8	11,288.6	11,450.9	11,676.3	11,645.3	11,450.4		
Contract	4,635.2	4,844.5	5,038.1	5,113.9	5,224.8	5,368.7		
M2M	82.8	85.6	87.8	86.2	118.0	98.4		
Pay TV	885.7	887.3	889.1	948.0	1,014.5	1,090.1		
Wholesale Accesses	0.4	0.4	0.4	0.4	0.3	0.2		
Total Accesses	21,082.1	21,288.4	21,633.0	21,976.8	22,083.7	22,104.3		

(1) Includes fixed wireless and VoIP accesses.

(2) In the second quarter of 2014, fixed telephony accesses include 50 thousand additional customers.

(3) Includes ADSL, satellite, fibre, cable modem and broadband circuits.

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	7,886	6,762	7,177	7,607	8,001	8,083		
Data traffic (TB)	2,901	3,078	3,599	4,206	5,040	6,389		
ARPU (EUR)	6.1	6.2	6.7	6.9	7.0	6.8		
Prepay	3.9	3.8	4.1	4.2	4.2	3.9		
Contract (1)	12.0	11.9	12.6	13.4	13.5	13.2		
Data ARPU (EUR)	1.5	1.6	1.8	2.0	2.2	2.3		
% non-SMS over data revenues	85.5%	88.4%	88.6%	85.9%	92.1%	94.0%		
Churn	3.8%	4.0%	3.8%	3.7%	4.0%	4.3%		
Contract (1)	2.1%	1.5%	1.4%	1.9%	2.2%	2.0%		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	7,886	14,648	21,825	29,432	8,001	16,084		
Data traffic (TB)	2,901	5,979	9,578	13,784	5,040	11,429		
ARPU (EUR)	6.1	6.1	6.3	6.5	7.0	6.9		
Prepay	3.9	3.8	3.9	4.0	4.2	4.0		
Contract (1)	12.0	11.9	12.1	12.4	13.5	13.3		
Data ARPU (EUR)	1.5	1.5	1.6	1.7	2.2	2.2		
% non-SMS over data revenues	85.5%	86.9%	87.5%	87.1%	92.1%	93.1%		
Churn	3.8%	3.9%	3.9%	3.8%	4.0%	4.1%		
Contract (1)	2.1%	1.5%	1.5%	1.6%	2.2%	2.1%		

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

- Voice traffic is defined as minutes used by the company customers, both outbound and inbound. On-net traffic is only included once (outbound), and promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is excluded. Traffic volume non-rounded.

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10¹² bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is also included. Traffic volume non-rounded.

(1) Excludes M2M.

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TELEFÓNICA COLOMBIA
SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	403	428	451	438	1,719	398	400			
Wireless Business	254	269	286	281	1,090	251	249			
Mobile service revenues	231	244	260	250	985	223	221			
Data revenues	59	64	68	67	258	66	67			
Handset revenues	23	25	25	31	104	28	27			
Wireline Business	148	159	165	156	629	147	151			
FBB and new services (1)	83	89	95	90	356	84	87			
Voice & access revenues	66	70	70	66	271	63	64			
Others	0	0	0	0	1	0	0			
OIBDA	139	143	174	170	627	150	146			
OIBDA margin	34.6%	33.5%	38.6%	39.0%	36.5%	37.6%	36.5%			
CapEx	178	123	90	105	496	48	111			
Spectrum	108	2	2	(1)	111	-	-			
OpCF (OIBDA-CapEx)	(38)	20	84	65	132	102	35			

Notes:

- OIBDA is presented before management and brand fees.

(1) Includes FBB connectivity services (retail and wholesale), including value-added services, TV services, ICT revenues and other services over connectivity.

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TELEFÓNICA COLOMBIA
ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	15,128.7	15,052.5	15,403.9	15,689.7	15,777.5	15,308.1		
Fixed telephony accesses (1)	1,459.9	1,464.0	1,468.6	1,461.0	1,465.8	1,450.8		
Internet and data accesses	895.1	922.4	952.9	970.2	997.3	999.8		
Broadband (2)	886.7	913.9	944.5	961.7	988.9	991.3		
Mobile accesses	12,409.8	12,281.9	12,581.6	12,842.5	12,884.9	12,413.3		
Prepay	9,105.9	8,982.4	9,313.3	9,582.6	9,633.2	9,158.6		
Contract	3,303.9	3,299.5	3,268.3	3,259.9	3,251.7	3,254.7		
M2M	404.7	416.2	421.5	427.8	438.7	444.4		
Pay TV	363.8	384.1	400.8	416.0	429.4	444.2		
Wholesale Accesses	1.9	1.9	1.9	1.9	1.9	1.9		
Total Accesses	15,130.6	15,054.4	15,405.9	15,691.6	15,779.4	15,310.1		

(1) Includes fixed wireless and VoIP accesses.

(2) Includes ADSL, satellite, fibre, cable modem and broadband circuits.

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	5,603	5,525	5,607	5,781	5,591	5,713		
Data traffic (TB)	6,670	7,454	8,708	9,410	10,516	11,387		
ARPU (EUR)	6.1	6.4	6.6	6.2	5.5	5.5		
Prepay	1.7	1.7	1.8	1.8	1.4	1.4		
Contract (1)	20.4	21.4	22.6	21.5	19.9	19.6		
Data ARPU (EUR)	1.6	1.7	1.8	1.7	1.7	1.8		
% non-SMS over data revenues	93.7%	94.7%	95.4%	97.5%	96.9%	97.3%		
Churn	3.0%	3.8%	2.7%	3.0%	3.0%	4.5%		
Contract (1)	2.3%	2.1%	2.2%	2.1%	2.2%	2.3%		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	5,603	11,128	16,735	22,516	5,591	11,304		
Data traffic (TB)	6,670	14,124	22,832	32,242	10,516	21,902		
ARPU (EUR)	6.1	6.2	6.3	6.3	5.5	5.5		
Prepay	1.7	1.7	1.8	1.8	1.4	1.4		
Contract (1)	20.4	20.9	21.5	21.5	19.9	19.8		
Data ARPU (EUR)	1.6	1.7	1.7	1.7	1.7	1.7		
% non-SMS over data revenues	93.7%	94.2%	94.6%	95.3%	96.9%	97.1%		
Churn	3.0%	3.4%	3.2%	3.1%	3.0%	3.8%		
Contract (1)	2.3%	2.2%	2.2%	2.2%	2.2%	2.2%		

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

- Voice traffic is defined as minutes used by the company customers, both outbound and inbound. On-net traffic is only included once (outbound), and promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is excluded. Traffic volume non-rounded.

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10¹² bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is also included. Traffic volume non-rounded.

(1) Excludes M2M.

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TELEFÓNICA MÉXICO
SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	390	403	403	452	1,649	444	458			
Mobile service revenues	330	346	357	380	1,413	376	391			
Data revenues	81	84	84	91	340	90	90			
Handset revenues	61	57	46	72	236	69	68			
OIBDA	60	69	99	109	337	109	105			
OIBDA margin	15.3%	17.2%	24.6%	24.1%	20.5%	24.5%	22.9%			
CapEx	39	51	53	108	252	47	63			
Spectrum	-	-	-	-	-	-	-			
OpCF (OIBDA-CapEx)	20	18	46	1	86	62	42			

Note:

- OIBDA is presented before management and brand fees.

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TELEFÓNICA MÉXICO
ACCESSES
Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Mobile accesses	19,324.8	20,244.2	20,561.0	21,673.4	22,536.6	23,048.8		
Prepay	17,862.0	18,777.4	19,127.6	20,207.5	21,056.6	21,553.9		
Contract	1,462.8	1,466.8	1,433.4	1,465.8	1,480.0	1,494.9		
M2M	351.0	354.1	362.1	433.7	455.8	485.9		
Fixed wireless	1,504.8	1,530.6	1,540.4	1,551.3	1,545.6	1,553.8		
Total Accesses	20,829.6	21,774.8	22,101.5	23,224.7	24,082.2	24,602.6		

SELECTED OPERATIONAL MOBILE BUSINESS DATA
Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	6,626	7,723	7,454	8,807	8,485	8,559		
Data traffic (TB)	4,460	4,590	6,497	6,832	7,891	7,967		
ARPU (EUR)	4.6	5.0	5.0	5.2	4.9	4.9		
Prepay	3.9	4.3	4.4	4.6	4.3	4.3		
Contract (1)	20.0	19.1	19.2	19.3	19.0	19.2		
Data ARPU (EUR)	1.3	1.4	1.4	1.4	1.3	1.3		
% non-SMS over data revenues	65.4%	68.2%	70.2%	73.4%	80.2%	82.0%		
Churn	5.7%	2.9%	3.5%	3.4%	2.8%	3.4%		
Contract (1)	1.1%	1.4%	1.4%	1.6%	1.7%	2.2%		

	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	6,626	14,349	21,804	30,611	8,485	17,044		
Data traffic (TB)	4,460	9,050	15,547	22,379	7,891	15,858		
ARPU (EUR)	4.6	4.8	4.9	5.0	4.9	4.9		
Prepay	3.9	4.1	4.2	4.3	4.3	4.3		
Contract (1)	20.0	19.5	19.4	19.4	19.0	19.1		
Data ARPU (EUR)	1.3	1.4	1.4	1.4	1.3	1.3		
% non-SMS over data revenues	65.4%	66.8%	67.9%	69.3%	80.2%	81.1%		
Churn	5.7%	4.3%	4.0%	3.9%	2.8%	3.1%		
Contract (1)	1.1%	1.3%	1.4%	1.4%	1.7%	1.9%		

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

- Voice traffic is defined as minutes used by the company customers, both outbound and inbound. On-net traffic is only included once (outbound), and promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOS, interconnection of third parties and other business lines) is excluded. Traffic volume non-rounded.

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10¹² bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOS, interconnection of third parties and other business lines) is also included. Traffic volume non-rounded.

(1) Excludes M2M.

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TELEFÓNICA VENEZUELA AND CENTRAL AMERICA (1) (2)

SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	274	305	379	462	1,420	426	150			
Mobile service revenues	258	285	353	409	1,305	385	144			
Data revenues (3)	82	87	107	121	397	142	40			
Handset revenues	16	20	26	53	114	41	6			
OIBDA	78	109	125	150	463	105	30			
OIBDA margin	28.6%	35.8%	33.1%	32.5%	32.6%	24.7%	20.1%			
CapEx	97	38	112	188	435	41	47			
Spectrum (4)	79	0	1	46	126	-	-			
OpCF (OIBDA-CapEx)	(19)	71	13	(38)	27	64	(17)			

Notes:

- For comparative purposes, the quarterly data for 2014 are reported adjusting the exchange rate in Venezuela from SICAD I to SICAD II 50 VEF/USD following the adoption of SICAD II 50 VEF/USD in the fourth quarter of 2014. The January-March 2015 period is at the previously denominated SICAD II 52 VEF/USD. The April-June 2015 consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the previously denominated SIMADI (as of 30 June, this rate was set at 197 Venezuelan bolivars fuertes per dollar).

- OIBDA is presented before management and brand fees.

(1) Reported figures include the hyperinflationary adjustments in Venezuela in both years.

(2) Central America includes Guatemala, Panama, El Salvador, Nicaragua and Costa Rica.

(3) Data revenues do not include hyperinflation adjustments.

(4) Spectrum payment corresponds to Panama, Nicaragua and Venezuela.

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TELEFÓNICA VENEZUELA AND CENTRAL AMERICA (1)

ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Fixed telephony accesses (2)	1,377.3	1,386.0	1,361.8	1,288.4	1,314.7	1,297.8		
Fixed wireless	1,127.4	1,138.2	1,128.7	1,065.0	1,093.5	1,078.1		
Internet and data accesses	12.2	12.1	11.9	12.3	12.6	13.0		
Broadband (3)	4.8	4.9	5.1	5.3	5.6	6.0		
Mobile accesses	21,813.8	21,919.5	21,947.2	21,471.9	21,899.6	22,161.8		
Prepay (4) (5)	19,602.9	19,676.2	19,721.3	19,242.6	19,672.9	19,943.2		
Contract	2,210.9	2,243.3	2,225.9	2,229.2	2,226.7	2,218.6		
M2M	123.8	129.8	134.9	141.7	147.9	147.7		
Pay TV	415.3	463.2	472.8	466.6	476.1	480.0		
Total Accesos	23,618.6	23,780.9	23,793.7	23,239.2	23,703.0	23,952.6		

(1) Central America includes Guatemala, Panama, El Salvador, Nicaragua and Costa Rica.

(2) Includes fixed wireless and VoIP accesses.

(3) Includes ADSL, satellite, fibre, cable modem and broadband circuits.

(4) Includes prepay M2M accesses.

(5) In the fourth quarter of 2014, 1.8 million inactive accesses were disconnected in Central America.

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	9,173	9,262	9,413	9,627	10,125	10,215		
Data traffic (TB)	9,993	10,434	11,848	13,400	14,300	16,472		
ARPU (EUR)	3.6	3.7	4.1	4.6	5.2	2.9		
Prepay (2)	3.0	3.0	3.3	3.8	4.4	2.3		
Contract (3)	10.2	10.9	11.7	12.8	13.4	8.7		
Data ARPU (EUR) (2) (4)	1.3	1.3	1.5	1.7	2.1	1.1		
% non-SMS over data revenues	66.7%	70.3%	74.2%	75.4%	79.9%	81.5%		
Churn (2)	2.6%	2.8%	3.1%	4.8%	2.6%	2.9%		
Contract (3)	1.1%	1.2%	1.3%	1.2%	1.1%	1.2%		

	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
	Voice traffic (Million minutes)	9,173	18,435	27,848	37,475	10,125	20,340	
Data traffic (TB)	9,993	20,427	32,274	45,675	14,300	30,772		
ARPU (EUR)	3.6	3.7	3.8	4.0	5.2	4.0		
Prepay (2)	3.0	3.0	3.1	3.3	4.4	3.3		
Contract (3)	10.2	10.5	10.9	11.4	13.4	11.0		
Data ARPU (EUR) (2) (4)	1.3	1.3	1.3	1.4	2.1	1.6		
% non-SMS over data revenues	66.7%	68.5%	70.6%	72.0%	79.9%	80.7%		
Churn (2)	2.6%	2.7%	2.9%	3.3%	2.6%	2.7%		
Contract (3)	1.1%	1.1%	1.2%	1.2%	1.1%	1.1%		

Notes:

- For comparative purposes, the quarterly data for 2014 are reported adjusting the exchange rate in Venezuela from SICAD I to SICAD II 50 VEF/USD for the Telefónica Group, Hispanoamérica and Venezuela and Central America following the adoption of SICAD II 50 VEF/USD in the fourth quarter of 2014. The January-June 2015 consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the previously denominated SIMADI (whose latest price quotation was set at 197 bolivars fuertes per dollar).

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

- Voice traffic is defined as minutes used by the company customers, both outbound and inbound. On-net traffic is only included once (outbound), and promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOS, interconnection of third parties and other business lines) is excluded. Traffic volume non-rounded.

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10¹² bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOS, interconnection of third parties and other business lines) is also included. Traffic volume non-rounded.

(1) Central America includes Guatemala, Panama, El Salvador, Nicaragua and Costa Rica.

(2) Impacted by the disconnection of 1.8 million inactive accesses in Central America in the fourth quarter of 2014.

(3) Excludes M2M.

(4) Does not include adjustment for hyperinflation.

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TELEFÓNICA ECUADOR
SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	119	121	128	138	508	149	149			
Mobile service revenues	112	115	119	126	471	133	133			
Data revenues	36	38	37	40	151	45	50			
Handset revenues	8	6	10	12	36	15	16			
OIBDA	43	45	47	54	188	52	45			
OIBDA margin	35.7%	36.7%	36.3%	39.0%	37.0%	35.0%	30.4%			
CapEx	6	17	43	37	102	146	28			
Spectrum	-	-	-	-	-	133	1			
OpCF (OIBDA-CapEx)	37	28	4	17	85	(94)	17			

Note:

- OIBDA is presented before management and brand fees.

TELEFÓNICA URUGUAY
SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	59	55	56	62	232	65	61			
Mobile service revenues	56	52	53	58	218	61	57			
Data revenues	22	21	22	24	88	26	26			
Handset revenues	3	3	3	4	14	4	4			
OIBDA	24	20	23	27	94	24	20			
OIBDA margin	39.8%	36.8%	41.7%	44.2%	40.7%	37.2%	32.7%			
CapEx	5	11	3	13	31	8	6			
Spectrum	-	-	-	-	-	-	-			
OpCF (OIBDA-CapEx)	19	10	20	14	63	16	14			

Note:

- OIBDA is presented before management and brand fees.

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TELEFÓNICA ECUADOR
ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Mobile accesses	5,174.5	5,155.4	4,995.9	5,002.5	4,675.3	4,545.3		
Prepay	4,165.4	4,111.9	3,915.1	3,897.8	3,545.6	3,380.8		
Contract	1,009.1	1,043.5	1,080.9	1,104.7	1,129.7	1,164.6		
M2M	116.4	124.2	136.9	154.2	173.3	182.7		
Fixed Wireless	49.5	49.5	51.3	53.1	48.1	43.8		
Total Accesses	5,224.0	5,204.9	5,047.3	5,055.6	4,723.4	4,589.1		

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	1,175	1,203	1,212	1,201	1,172	1,253		
Data traffic (TB)	1,142	1,223	1,315	1,485	1,786	2,213		
ARPU (EUR)	6.8	7.0	7.3	7.8	8.3	8.9		
Prepay	4.0	3.9	4.1	4.4	4.6	4.8		
Contract (1)	21.1	22.1	21.8	22.3	24.5	24.6		
Data ARPU (EUR)	2.3	2.4	2.4	2.6	3.0	3.6		
% non-SMS over data revenues	76.8%	78.6%	78.5%	80.6%	82.5%	85.1%		
Churn	2.5%	2.8%	3.7%	3.2%	5.7%	4.6%		
Contract (1)	1.3%	1.3%	1.3%	1.7%	1.6%	1.5%		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	1,175	2,378	3,589	4,790	1,172	2,426		
Data traffic (TB)	1,142	2,366	3,680	5,165	1,786	3,999		
ARPU (EUR)	6.8	6.9	7.0	7.2	8.3	8.6		
Prepay	4.0	3.9	4.0	4.1	4.6	4.7		
Contract (1)	21.1	21.7	21.7	21.9	24.5	24.6		
Data ARPU (EUR)	2.3	2.3	2.3	2.4	3.0	3.3		
% non-SMS over data revenues	76.8%	77.7%	78.0%	78.6%	82.5%	83.9%		
Churn	2.5%	2.6%	3.0%	3.0%	5.7%	5.2%		
Contract (1)	1.3%	1.3%	1.3%	1.4%	1.6%	1.6%		

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

- Voice traffic is defined as minutes used by the company customers, both outbound and inbound. On-net traffic is only included once (outbound), and promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOS, interconnection of third parties and other business lines) is excluded. Traffic volume non rounded.

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10¹² bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOS, interconnection of third parties and other business lines) is also included. Traffic volume non rounded.

(1) Excludes M2M.

TELEFÓNICA URUGUAY

ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Mobile accesses	1,845.7	1,854.4	1,871.6	1,883.8	1,912.5	1,844.1		
Prepay	1,245.8	1,243.2	1,259.6	1,276.9	1,305.3	1,228.4		
Contract	599.9	611.2	612.0	606.9	607.1	615.7		
M2M	35.5	36.6	37.0	40.6	43.7	47.8		
Total Accesses	1,845.7	1,854.4	1,871.6	1,883.8	1,912.5	1,844.1		

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	850	845	862	864	840	783		
Data traffic (TB)	1,045	1,118	1,318	1,499	1,704	1,937		
ARPU (EUR)	9.5	9.1	9.2	9.8	10.0	9.8		
Prepay	4.6	4.3	4.2	4.6	4.5	4.6		
Contract (1)	20.8	20.1	20.6	21.8	23.2	22.2		
Data ARPU (EUR)	3.9	3.8	3.9	4.2	4.5	4.5		
% non-SMS over data revenues	51.5%	54.0%	56.7%	60.8%	67.3%	67.5%		
Churn	1.9%	1.6%	1.4%	1.5%	1.4%	3.0%		
Contract (1)	0.6%	0.6%	0.7%	0.9%	0.7%	0.7%		
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec
Voice traffic (Million minutes)	850	1,695	2,557	3,421	840	1,623		
Data traffic (TB)	1,045	2,163	3,482	4,981	1,704	3,641		
ARPU (EUR)	9.5	9.3	9.2	9.4	10.0	9.9		
Prepay	4.6	4.4	4.4	4.4	4.5	4.6		
Contract (1)	20.8	20.4	20.5	20.8	23.2	22.7		
Data ARPU (EUR)	3.9	3.8	3.9	4.0	4.5	4.5		
% non-SMS over data revenues	51.5%	52.7%	54.0%	55.7%	67.3%	67.4%		
Churn	1.9%	1.7%	1.6%	1.6%	1.4%	2.2%		
Contract (1)	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%		

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

- Voice traffic is defined as minutes used by the company customers, both outbound and inbound. On-net traffic is only included once (outbound), and promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOS, interconnection of third parties and other business lines) is excluded. Traffic volume non rounded.

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10¹² bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOS, interconnection of third parties and other business lines) is also included. Traffic volume non rounded.

(1) Excludes M2M.

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ADDENDA

The financial information contained in the addenda has been prepared under International Financial Reporting Standards (IFRS). This financial information is unaudited.

The following Addenda are included: i) the detailed Income Statement and Accesses and Selected Operational information for Telefónica UK, reported as per the perimeter of discontinued operation, ii) the detailed Income Statements for Telefónica, Telefónica Hispanoamérica and Telefónica Venezuela and Central America prepared under IFRS using in the first half of 2014 the exchange rate in use at the time (SICAD I 10.60 VEF/USD).

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O2 UK

CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	1,644	1,701	1,806	1,914	7,065	1,851	1,953			
Mobile service revenues	1,307	1,340	1,389	1,361	5,397	1,379	1,455			
Data revenues	747	773	794	781	3,096	804	845			
Handset revenues and other	337	361	417	553	1,668	472	498			
Internal expenditure capitalized in fixed assets	20	29	33	40	123	35	42			
Operating expenses	(1,262)	(1,333)	(1,416)	(1,506)	(5,516)	(1,425)	(1,479)			
Supplies	(805)	(838)	(930)	(988)	(3,561)	(909)	(929)			
Personnel expenses	(118)	(115)	(120)	(128)	(481)	(129)	(136)			
Other operating expenses	(339)	(379)	(367)	(390)	(1,475)	(387)	(414)			
Other net income (expense)	0	5	6	4	14	(7)	(1)			
Gain (loss) on sale of fixed assets	9	0	49	0	59	0	3			
Impairment of goodwill and other assets	(10)	0	0	0	(10)	0	0			
Operating income before D&A (OIBDA)	402	402	478	452	1,734	453	517			
OIBDA Margin	24.5%	23.6%	26.5%	23.6%	24.5%	24.5%	26.5%			
CapEx	192	186	202	189	767	212	203			
Spectrum	-	-	-	-	-	-	-			
OpCF (OIBDA-CapEx)	210	216	276	264	967	241	314			

Notes:

- OIBDA and OI before management and brand fees.
- Figures are reported as per the perimeter of discontinued operation.

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O2 UK
ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	23,803.9	24,001.3	24,324.5	24,726.4	24,869.2	25,072.2		
Fixed telephony accesses (1)	211.4	217.9	221.5	228.0	232.1	235.4		
Internet and data accesses	16.4	16.8	17.8	19.2	19.9	20.4		
Broadband	16.4	16.8	17.8	19.2	19.9	20.4		
Mobile accesses	23,576.1	23,766.6	24,085.2	24,479.1	24,617.1	24,816.5		
Prepay	10,556.7	10,548.6	10,658.4	10,761.2	10,766.1	10,793.1		
Contract	13,019.4	13,218.0	13,426.7	13,717.9	13,851.1	14,023.4		
M2M	2,038.0	2,096.1	2,116.2	2,192.0	2,201.1	2,234.2		
Wholesale Accesses (2)	-	-	-	-	-	-		
Total Accesses	23,803.9	24,001.3	24,324.5	24,726.4	24,869.2	25,072.2		

Notes:

(1) PSTN (including Public Use Telephony) x1; ISDN Basic access x1; ISDN Primary access; 2/6 Digital Access x30. Company's accesses for internal use included. Includes VoIP and Naked ADSL.

(2) From the first quarter of 2014, the company stopped offering a wholesale service.

MOBILE ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Prepay percentage (%)	44.8%	44.4%	44.3%	44.0%	43.7%	43.5%		
Contract percentage (%)	55.2%	55.6%	55.7%	56.0%	56.3%	56.5%		
Smartphones ('000)	10,566.8	10,501.2	10,835.1	11,338.0	10,784.8	10,972.4		
Prepay	3,317.0	3,268.0	3,358.1	3,566.0	3,343.9	3,370.8		
Contract	7,249.8	7,233.2	7,477.1	7,772.0	7,440.9	7,601.6		
Smartphone penetration (%)	50.2%	49.6%	50.5%	52.1%	49.3%	49.9%		
Prepay (%)	31.9%	31.5%	32.0%	33.6%	31.4%	31.6%		
Contract (%)	67.9%	67.0%	68.2%	69.9%	66.4%	67.2%		
LTE ('000)	1,096.6	2,198.7	2,995.9	4,121.8	4,906.0	5,769.9		
LTE penetration (%)	5.2%	10.4%	14.0%	19.0%	22.4%	26.2%		

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice Traffic (Million minutes)	11,973	12,361	12,252	12,510	12,504	12,515		
Data traffic (TB)	15,978	20,550	24,199	27,524	30,928	34,685		
ARPU (EUR)	18.5	18.9	19.3	18.6	18.8	19.6		
Prepay	7.0	7.3	7.6	7.4	7.4	7.6		
Contract (1)	32.8	33.3	33.7	32.5	32.7	34.0		
Data ARPU (EUR)	10.6	10.9	11.1	10.7	10.9	11.4		
% non-SMS over data revenues	56.5%	58.0%	58.5%	58.7%	58.6%	59.2%		
Churn	2.1%	1.8%	1.9%	1.8%	1.7%	1.6%		
Contract (1)	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%		

	2014				2015			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice Traffic (Million minutes)	11,973	24,334	36,587	49,096	12,504	25,019		
Data traffic (TB)	15,978	36,528	60,727	88,251	30,928	65,613		
ARPU (EUR)	18.5	18.7	18.9	18.8	18.8	19.2		
Prepay	7.0	7.2	7.3	7.3	7.4	7.5		
Contract (1)	32.8	33.0	33.3	33.1	32.7	33.3		
Data ARPU (EUR)	10.6	10.7	10.8	10.8	10.9	11.2		
% non-SMS over data revenues	56.5%	57.3%	57.7%	57.9%	58.6%	58.9%		
Churn	2.1%	2.0%	1.9%	1.9%	1.7%	1.6%		
Contract (1)	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%		

Notes:

- ARPU: monthly average revenue divided by the monthly average accesses of the period.

- Voice Traffic is defined as minutes used by the company customers, both outbound and inbound. On-net traffic is only included once (outbound), and promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOS, interconnection of third parties and other business lines) is excluded. Traffic volume non-rounded.

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10¹² bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOS, interconnection of third parties and other business lines) is also included. Traffic volume non-rounded.

(1) Excludes M2M.

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TELEFÓNICA
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	January-June		
	2015	2014	%Var.
Revenues	23,419	21,696	7.9
Internal exp. capitalized in fixed assets	359	292	22.8
Operating expenses	(16,610)	(14,929)	11.3
Supplies	(6,292)	(5,701)	10.4
Personnel expenses	(3,316)	(3,044)	8.9
Other operating expenses	(7,002)	(6,184)	13.2
Other net income (expense)	63	141	(55.0)
Gain (loss) on sale of fixed assets	89	49	82.6
Impairment of goodwill and other assets	(1)	2	c.s.
Operating income before D&A (OIBDA)	7,320	7,251	0.9
OIBDA Margin	31.3%	33.4%	(2.2 p.p.)
Depreciation and amortization	(4,252)	(3,610)	17.8
Operating income (OI)	3,068	3,641	(15.7)
Share of profit (loss) of investments accounted for by the equity method	(4)	(54)	(93.4)
Net financial income (expense)	(1,129)	(1,355)	(16.7)
Profit before taxes from continuing operations	1,935	2,232	(13.3)
Corporate income tax	(71)	(311)	(77.2)
Profit for the period from continuing operations	1,864	1,921	(3.0)
Profit for the period from discontinued operations	1,841	181	n.m.
Profit for the period	3,705	2,102	76.3
Non-controlling interests	(12)	(199)	(94.0)
Net Income	3,693	1,903	94.1
Weighted average number of ordinary shares outstanding during the period (millions)	4,755	4,596	3.5
Continuing operations earnings per share (euros)	0.36	0.36	1.7
Discontinued operations earnings per share (euros)	0.39	0.04	n.m.
Basic earnings per share (euros)	0.75	0.40	89.4

Notes:

- From the first quarter of 2015 Telefónica's operations in the United Kingdom are reported as discontinued operations within the Telefónica Group and its assets and liabilities are classified as "held for sale", in compliance with the IFRS, as a result of the signing of the final sale agreement of the company in March 2015. For comparative purposes, 2014 results are reported using these same criteria.

- For the purposes of calculating the earnings per share ratios, the weighted average number of ordinary shares outstanding during the period has been obtained applying the IAS rule 33 "Earnings per share". Thereby, the weighted average of shares held as treasury stock have not been taken into account as outstanding shares. On the other hand, the denominator is retrospectively adjusted for transactions that have changed the number of shares outstanding without a corresponding change in equity (as if such transactions had occurred at the beginning of the earliest period presented). For instance, the bonus share issue carried out to meet the scrip dividends paid in 2014, has been taken into account. Also, the ordinary shares that would be issued upon the conversion of the mandatorily convertible notes issued on 24 September 2014 are included in the calculation of earnings per share from that date.

- Continuing operations earnings per share ratio is calculated dividing profit for the period from continuing operations, adjusted for the net coupon corresponding to "Other equity instruments", by the weighted average number of ordinary shares outstanding during the period.

- Discontinued operations per share ratio is calculated dividing profit for the period from discontinued operations by the weighted average number of ordinary shares outstanding during the period.

- Basic earnings per share ratio is calculated dividing Net Income, adjusted for the net coupon corresponding to "Other equity instruments", by the weighted average number of ordinary shares outstanding during the period.

- 2014 and 2015 reported figures include hyperinflationary adjustments in Venezuela.

- Telefónica Group consolidated results consolidate GVT and DTS from 1 May 2015 and E-Plus from the fourth quarter 2014. T. Ireland is deconsolidated from the third quarter 2014.

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TELEFÓNICA HISPANOAMÉRICA
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	January-June		
	2015	2014	%Var.
Revenues	7,132	7,066	0.9
Internal exp. capitalized in fixed assets	56	52	7.9
Operating expenses	(5,071)	(4,891)	3.7
Supplies	(2,042)	(1,981)	3.1
Personnel expenses	(826)	(771)	7.2
Other operating expenses	(2,204)	(2,140)	3.0
Other net income (expense)	32	43	(24.2)
Gain (loss) on sale of fixed assets	4	(2)	c.s.
Impairment of goodwill and other assets	-	-	c.s.
Operating income before D&A (OIBDA)	2,152	2,267	(5.1)
OIBDA Margin	30.2%	32.1%	(1.9 p.p.)
CapEx	1,474	1,234	19.5
Spectrum	345	189	82.3
OpCF (OIBDA-CapEx)	678	1,033	(34.4)

Notes:

- OIBDA and OI before management and brand fees.
- 2014 and 2015 reported figures include hyperinflationary adjustments in Venezuela.

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TELEFÓNICA VENEZUELA AND CENTRAL AMERICA (1)(2)
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	January-June		
	2015	2014	%Var.
Revenues	576	1,445	(60.1)
Mobile service revenues	529	1,358	(61.0)
Data revenues (3)	182	442	(58.8)
Handset revenues	47	87	(45.6)
OIBDA	136	598	(77.3)
OIBDA margin	23.5%	41.4%	(17.8 p.p.)
CapEx	88	220	(59.7)
Spectrum (4)	-	79	n.m.
OpCF (OIBDA-CapEx)	47	378	(87.5)

Notes:

- OIBDA is presented before management and brand fees.

(1) The figures for Venezuela include adjustments for hyperinflation in both periods.

(2) Central America includes Guatemala, Panama, El Salvador, Nicaragua and Costa Rica.

(3) Data revenues do not include hyperinflation adjustments.

(4) Spectrum payment corresponds to Panama.

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