

Telefonica

JANUARY - JUNE 2019 RESULTS

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DISCLAIMER

The financial information related to 2018 and in the first six months 2019 contained in this document has been prepared under International Financial Reporting Standards (IFRS), as adopted by the European Union. This information is unaudited.

Changes in the perimeter of consolidation:

- T. Guatemala, Antares and T. Nicaragua are no longer in the consolidation perimeter. T. Guatemala was deconsolidated as of 1 Jan 19 following the sale of the asset. The Co. contributed in January-December 2018 to Telefónica Group with €149m in revenues, €43m in OIBDA and €29m in Capex (€160m, €43m and €29m, respectively at T. Hispam Norte level) and with total accesses of 2.8m as of December 2018 (2.4m mobile prepay). Antares was deconsolidated as of 1 Feb 19 following the sale of the asset. The Co. contributed in January-December 2018 with €39m in revenues and €15m in OIBDA at Group level (within Other Companies & eliminations). T. Nicaragua was deconsolidated as of 1 May 19 following the sale of the asset. The Co. contributed in January-December 2018 to Telefónica Group with €181m in revenues, €76m in OIBDA and €17m in Capex (€189m, €76m and €17m, respectively at T. Hispam Norte level) and with total accesses of 3.9m as of March 2019 (3.6m mobile prepay).
- The remaining operations of Central America (El Salvador, Panama and Costa Rica) will continue in the consolidation perimeter until the announced transactions become effective.

New information has been included since the first quarter 2019:

- Rights of Use additions have been included since the first quarter 2019.

The following financial information has been revised for fiscal year 2018:

- Net financial debt calculation has been redefined since the first quarter of 2019 excluding the mark to market adjustment of the unmatured cash flow hedges associated to debt instruments. This change seeks to eliminate the asymmetry generated by the accounting valuation method of both financial instruments; the debt instrument valued at amortized cost and the derivative at market value. This new methodology is more aligned with that used by credit rating agencies and is also used by other companies in the sector. The change has been applied to all comparative periods.
- Likewise, after the entry into force of IFRS 16 Leases, the distinction between finance leases and operating leases disappears for the purpose of computing the payment obligation. As a result, for comparison purposes, the net financial debt figure of the comparative periods has been modified to exclude the lease liability of finance leases.
- The leverage ratio is calculated as the ratio of net financial debt over OIBDA for the past 12 months, including or excluding the OIBDA of the companies which are incorporated or removed from the perimeter of consolidation, and excluding certain factors in line with the calculation of organic OIBDA. Likewise, OIBDA excludes the impact of IFRS 16 and includes the expense corresponding to the amortization of assets under finance leases whose payment obligation has been excluded from the calculation of net financial debt in comparative periods, as explained above.

Additionally, the Group has applied hyperinflation accounting to its companies whose functional currency is the Argentine peso for periods ending 1 July 2018. Reported financial information for prior periods has not been restated.

TELEFÓNICA

ACCESSES

Unaudited figures (thousands)

	2018				2019	
	March	June	September	December	March	June
Final Clients Accesses	338,190.8	338,830.1	337,396.8	337,051.5	331,995.4	326,231.2
Fixed telephony accesses (1)	36,674.0	36,281.6	35,733.5	35,273.6	34,262.8	33,202.5
Internet and data accesses	21,827.0	21,911.5	22,087.7	22,087.5	21,956.2	21,788.5
Broadband	21,385.9	21,460.2	21,638.0	21,645.2	21,586.5	21,449.2
FTTx / Cable	11,491.8	12,216.0	12,766.4	13,213.1	13,580.5	13,931.1
Mobile accesses	271,084.9	271,901.0	270,730.3	270,814.9	266,948.5	262,471.8
Prepay	153,623.2	152,234.0	149,131.7	147,062.0	142,125.6	135,997.9
Contract	117,461.7	119,667.0	121,598.5	123,752.9	124,822.9	126,473.9
M2M	16,778.1	17,623.4	18,397.9	19,483.0	20,388.6	21,357.5
Pay TV	8,604.9	8,736.1	8,845.3	8,875.4	8,828.0	8,768.5
Wholesale Accesses	19,021.1	18,966.5	19,207.0	19,520.0	20,419.6	20,349.2
Fixed wholesale accesses	4,222.2	4,082.6	3,987.7	3,951.5	3,895.1	3,859.9
Mobile wholesale accesses	14,798.9	14,883.9	15,219.3	15,568.5	16,524.5	16,489.3
Total Accesses	357,211.9	357,796.6	356,603.8	356,571.5	352,415.0	346,580.4

- T. Nicaragua accesses are excluded from 1 May of 2019 and T. Guatemala from 1 January of 2019.

(1) Includes fixed wireless and VoIP accesses. In Spain, since Q1 18 business accesses were restated.

MOBILE ACCESSES

Unaudited figures (thousands)

	2018				2019	
	March	June	September	December	March	June
Contract percentage (%)	43.3 %	44.0 %	44.9 %	45.7 %	46.8 %	48.2 %
Smartphones ('000)	161,572.5	163,886.0	166,794.1	167,693.5	166,241.7	165,070.0
Smartphone penetration (%)	64.4 %	65.3 %	66.9 %	67.5 %	68.2 %	69.1 %
LTE ('000)	102,910.4	106,617.8	111,529.1	117,369.5	121,494.0	126,229.0
LTE penetration (%)	40.5 %	41.9 %	44.2 %	46.7 %	49.3 %	52.4 %

TELEFÓNICA
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	12,190	12,144	11,699	12,917	48,693	11,979	12,142
Internal exp. capitalised in fixed assets	193	211	193	220	815	209	222
Operating expenses	(8,533)	(8,036)	(7,980)	(9,560)	(33,955)	(8,114)	(8,259)
Supplies	(3,317)	(3,362)	(3,366)	(3,998)	(14,013)	(3,273)	(3,261)
Personnel expenses	(1,570)	(1,555)	(1,401)	(1,860)	(6,332)	(1,506)	(1,522)
Other operating expenses	(3,647)	(3,120)	(3,213)	(3,702)	(13,611)	(3,335)	(3,475)
Other net income (expense)	5	(12)	62	88	142	72	22
Gain (loss) on sale of fixed assets	12	40	65	100	217	118	324
Impairment of goodwill and other assets	(2)	(109)	(1)	(228)	(341)	(0)	(13)
<i>Underlying operating income before D&A (OIBDA)</i>	<i>3,882</i>	<i>4,013</i>	<i>3,977</i>	<i>4,068</i>	<i>15,939</i>	<i>3,730</i>	<i>3,896</i>
Operating income before D&A (OIBDA)	3,864	4,237	4,038	3,537	15,571	4,264	4,438
<i>OIBDA Margin</i>	<i>31.7 %</i>	<i>34.9 %</i>	<i>34.5 %</i>	<i>27.4 %</i>	<i>32.0 %</i>	<i>35.6 %</i>	<i>36.5 %</i>
Depreciation and amortisation	(2,227)	(2,178)	(2,112)	(2,468)	(9,049)	(2,614)	(2,633)
Operating income (OI)	1,638	2,059	1,926	1,068	6,522	1,650	1,804
Share of profit (loss) of investments accounted for by the equity method	2	2	(3)	2	4	4	3
Net financial income (expense)	(381)	(1)	(209)	(380)	(955)	(411)	(240)
Profit before taxes	1,259	2,060	1,714	691	5,571	1,243	1,568
Corporate income tax	(359)	(939)	(366)	48	(1,621)	(234)	(522)
Profit for the period	900	1,121	1,348	739	3,950	1,009	1,046
Attributable to equity holders of the Parent	837	902	1,139	610	3,331	926	862
Attributable to non-controlling interests	64	218	209	128	619	83	184
Weighted average number of ordinary shares outstanding during the period (millions)	5,127	5,127	5,127	5,127	5,127	5,127	5,122
Basic and diluted earnings per share attributable to equity holders of the Parent (euros)	0.12	0.16	0.21	0.11	0.57	0.16	0.16
<i>Underlying basic and diluted earnings per share attributable to equity holders of the Parent (euros)</i>	<i>0.17</i>	<i>0.20</i>	<i>0.21</i>	<i>0.24</i>	<i>0.82</i>	<i>0.18</i>	<i>0.19</i>

Notes:

- Group consolidated results deconsolidate T. Nicaragua since 1 May 2019, Telefónica Guatemala's results since 1 January 2019 and Antares' results since 1 February 2019.
- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.
- 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.
- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro. Consolidated reported results for July-September 2018 have been calculated taking as a reference first half 2018 results adjusted by inflation in Argentina. For comparative purposes only, hyperinflation adjustment would have been -€2m in Revenues, -€13m in OIBDA, -€71m in OI and -€60m in Net Income for the Jan-Mar 2018 period and -€255m in Revenues, -€92m in OIBDA, -€98m in OI and -€97m in Net Income for the Apr-Jun 2018 period.
- After considering Venezuela as a hyperinflationary country, P&L and CapEx from the operations in the country are to be accounted at the closing exchange rate Bolivar Soberano/Euro. As of the closing of June 2019 Telefónica uses a synthetic exchange rate of 7,919.5 Venezuelan bolivars soberanos per dollar. For the January-June 2018 period the synthetic exchange used is based on the Bolivar Fuerte.
- Basic and diluted earnings per share ratio is calculated dividing Profit for the period Attributable to equity holders of the Parent, adjusted for the net coupon corresponding to "Other equity instruments" (€152m in January-June 2019 and €277m in January-June 2018), by the weighted average number of ordinary shares outstanding during the period.

TELEFÓNICA
 CONSOLIDATED REVENUES BREAKDOWN
Unaudited figures (Euros in millions)

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	100%	100%	100%	100%	100%	100%	100 %
Voice & access	36%	35%	35%	34%	35%	32%	32 %
Broadband Connectivity	39%	39%	38%	35%	38%	39%	39 %
Services over Connectivity (SoC)	13%	15%	14%	16%	15%	17%	17 %
Handsets	9%	9%	10%	13%	10%	11%	11 %
Others	2%	2%	2%	2%	2%	2%	2 %

TELEFÓNICA
REVENUES BREAKDOWN
Unaudited figures (Euros in millions)

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
T. ESPAÑA	3,098	3,167	3,188	3,253	12,706	3,108	3,175
T. DEUTSCHLAND	1,767	1,758	1,830	1,965	7,320	1,779	1,785
T. UK	1,586	1,638	1,721	1,846	6,790	1,691	1,720
T. BRASIL	2,705	2,522	2,345	2,553	10,126	2,563	2,467
T. HISPAM SUR (1)	1,833	1,798	1,315	1,988	6,677	1,612	1,743
T. HISPAM NORTE (2)	971	1,027	1,041	1,037	4,075	971	1,014
Other companies and eliminations	230	234	259	275	1,000	256	238
Telxius	180	186	231	195	792	219	216
TOTAL GROUP	12,190	12,144	11,699	12,917	48,693	11,979	12,142

Notes:

- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro. Consolidated reported results for July-September 2018 have been calculated taking as a reference first half 2018 results adjusted by inflation in Argentina. For comparative purposes only, hyperinflation adjustment would have been -€2m (Group) and -€2m (Hispan Sur) for the Jan-Mar 2018 period and -€255m (Group), -€256m (Hispan Sur), +€1m (Other companies and eliminations) and -€1m (Telxius) for the Apr-Jun 2018 period.

(1) T. Hispan Sur includes Argentina, Chile, Peru and Uruguay.

(2) T. Hispan Norte includes Colombia, Mexico, Venezuela, Central America and Ecuador.

- Group consolidated results deconsolidate Telefónica Nicaragua since 1 May 2019, Telefónica Guatemala's results since 1 January 2019 and Antares' results since 1 February 2019.

TELEFÓNICA

OIBDA BREAKDOWN

Unaudited figures (Euros in millions)

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
T. ESPAÑA	1,224	1,283	1,290	966	4,763	1,350	1,322
T. DEUTSCHLAND	403	479	470	482	1,834	522	578
T. UK	430	450	464	522	1,865	504	548
T. BRASIL	982	1,275	1,075	979	4,311	1,050	1,001
T. HISPAM SUR (1)	517	507	311	483	1,719	441	495
T. HISPAM NORTE (2)	258	176	314	45	793	263	261
Other companies and eliminations	51	68	114	59	286	134	232
Telxius	86	87	107	91	370	129	124
TOTAL GROUP	3,864	4,237	4,038	3,537	15,571	4,264	4,438

Notes:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

- OIBDA before management and brand fees.

- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro. Consolidated reported results for July-September 2018 have been calculated taking as a reference first half 2018 results adjusted by inflation in Argentina. For comparative purposes only, hyperinflation adjustment would have been -€13m (Group) and -€13m (Hispan Sur) for the Jan-Mar 2018 period and -€92m (Group), -€86m (Hispan Sur) and -€6m (Other companies and eliminations) for the Apr-Jun 2018 period.

(1) T. Hispan Sur includes Argentina, Chile, Peru and Uruguay.

(2) T. Hispan Norte includes Colombia, Mexico, Venezuela, Central America and Ecuador.

- Group consolidated results deconsolidate Telefónica Nicaragua since 1 May 2019, Telefónica Guatemala's results since 1 January 2019 and Antares' results since 1 February 2019.

TELEFÓNICA

CAPEX BREAKDOWN

Unaudited figures (Euros in millions)

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
T. ESPAÑA	346	432	379	562	1,719	377	435
T. DEUTSCHLAND	197	228	316	226	966	252	243
T. UK	183	804	215	263	1,464	185	224
T. BRASIL	388	504	530	488	1,910	396	538
T. HISPAM SUR (1)	251	302	178	431	1,116	243	250
T. HISPAM NORTE (2)	53	111	133	371	668	78	106
Other companies and eliminations	73	61	45	96	274	22	34
Telxius	57	41	34	49	181	9	85
TOTAL GROUP	1,490	2,441	1,795	2,438	8,119	1,554	1,831
Spectrum	7	588	19	255	868	18	4

Notes:

- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro. Consolidated reported results for July-September 2018 have been calculated taking as a reference first half 2018 results adjusted by inflation in Argentina. For comparative purposes only, hyperinflation adjustment would have been -€1m (Group) and -€1m (Hispam Sur) for the Jan-Mar 2018 period and -€46m (Group) and -€46m (Hispam Sur) for the Apr-Jun 2018 period.

(1) T. Hispam Sur includes Argentina, Chile, Peru and Uruguay.

(2) T. Hispam Norte includes Colombia, Mexico, Venezuela, Central America and Ecuador.

- Group consolidated results deconsolidate Telefónica Nicaragua since 1 May 2019, Telefónica Guatemala's results since 1 January 2019 and Antares' results since 1 February 2019.

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

	2018				2019	
	March	June	September	December	March	June
Non-current assets	93,933	91,567	91,248	90,707	97,197	95,970
Intangible assets	17,369	17,118	16,822	16,856	16,404	15,980
Goodwill	26,566	25,527	25,739	25,748	26,000	25,870
Property, plant and equipment	33,660	32,674	33,125	33,295	33,085	32,523
Rights of use	n.a.	n.a.	n.a.	n.a.	7,382	7,404
Investments accounted for by the equity method	70	68	65	68	64	137
Financial assets and other non-current assets	8,369	8,768	8,118	7,109	7,350	7,117
Deferred tax assets	7,899	7,412	7,378	7,631	6,912	6,939
Current assets	20,840	19,384	22,015	23,340	26,591	26,774
Inventories	1,174	1,220	1,813	1,692	1,588	1,707
Receivables and other current assets	10,800	10,816	10,528	10,579	10,567	10,816
Tax receivables	1,103	1,092	1,246	1,676	1,626	2,008
Other current financial assets	2,941	2,552	2,204	2,209	2,977	3,188
Cash and cash equivalents	4,822	3,662	6,138	5,692	8,356	7,588
Non-current assets classified as held for sale	1	42	86	1,492	1,477	1,467
Total Assets = Total Equity and Liabilities	114,773	110,951	113,263	114,047	123,788	122,744
Equity	27,218	23,715	25,194	26,980	28,517	26,449
Equity attributable to equity holders of the parent and other holders of equity instruments	17,729	14,821	16,273	17,947	19,479	17,866
Equity attributable to non-controlling interests	9,490	8,894	8,921	9,033	9,038	8,583
Non-current liabilities	61,820	59,397	59,881	57,418	64,394	64,418
Non-current financial liabilities	48,850	46,798	47,482	45,334	46,571	46,508
Non-current lease liabilities	n.a.	n.a.	n.a.	n.a.	5,616	5,746
Payables and other non-current liabilities	1,749	1,823	1,827	1,890	1,986	1,998
Deferred tax liabilities	2,222	2,360	2,579	2,674	2,669	2,666
Non-current provisions	8,999	8,416	7,993	7,520	7,551	7,500
Current liabilities	25,735	27,839	28,188	29,649	30,877	31,877
Current financial liabilities	7,053	7,972	8,506	9,368	10,655	10,077
Current lease liabilities	n.a.	n.a.	n.a.	n.a.	1,529	1,589
Payables and other current liabilities	14,073	15,485	15,641	15,485	14,244	15,617
Current tax payables	2,367	2,252	1,981	2,047	1,962	2,094
Current provisions	2,243	2,130	2,056	1,912	1,828	1,963
Liabilities associated with non-current assets held for sale	-	-	4	837	659	537
Financial Data						
Net Financial Debt (1)	42,837	42,651	41,658	41,074	40,381	40,230
Net Financial Debt plus lease liabilities	n.a.	n.a.	n.a.	n.a.	47,820	47,772
Net Financial Debt / OIBDA	2.62x	2.64x	2.64x	2.62x	2.61x	2.62x

- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina are adjusted by inflation.

(1) Net financial debt calculation has been redefined in the first quarter of 2019 excluding the mark to market adjustment of the unmatured cash flow hedges associated to debt instruments. This change seeks to eliminate the asymmetry generated by the accounting valuation method of both financial instruments; the debt instrument valued at amortized cost and the derivative at market value. The change has been applied to all comparative periods. Also, following the entry into force of IFRS 16 since 1 January 2019, for comparison purposes, the net financial debt figure of December 2018 has been modified to exclude the lease liability of finance leases.

TELEFÓNICA
CONSOLIDATED CASH FLOW STATEMENT
Unaudited figures (Euros in millions)

	2018				2019	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan -Dec	Jan - Mar	Jan - Jun
Cash received from operations	15,069	29,760	43,393	58,815	14,737	28,790
Cash paid from operations	(11,729)	(22,317)	(32,382)	(42,891)	(11,081)	(20,995)
Net payments of interest and other financial expenses net of dividends received	(698)	(986)	(1,283)	(1,636)	(673)	(972)
Net interest and other financial expenses paid	(709)	(1,008)	(1,305)	(1,664)	(681)	(995)
Dividends received	11	22	22	28	9	23
Taxes proceeds/(paid)	(21)	(356)	(518)	(865)	676	471
Net cash flow provided by operating activities	2,621	6,101	9,210	13,423	3,659	7,294
(Payments)/proceeds on investments in property, plant and equipment and intangible assets	(2,104)	(4,582)	(6,345)	(8,585)	(1,990)	(3,834)
Proceeds from the sale in property, plant and equipment and intangible assets	10	25	102	192	38	367
Payments on investments in property, plant and equipment and intangible assets	(2,114)	(4,607)	(6,447)	(8,777)	(2,028)	(4,201)
Proceeds on disposals of companies, net of cash and cash equivalents disposed	5	1	29	29	418	776
Payments on investments in companies, net of cash and cash equivalents acquired	(53)	(2)	(2)	(3)	(2)	(2)
Proceeds on financial investments not included under cash equivalents	83	480	597	1,004	305	965
Payments on financial investments not included under cash equivalents	(389)	(586)	(657)	(965)	(230)	(439)
(Payments)/proceeds on placements of cash surpluses not included under cash equivalents, net	(986)	(604)	(247)	(202)	(640)	(447)
Government grants received	0	37	37	37	-	-
Net cash flow used in investing activities	(3,444)	(5,256)	(6,588)	(8,685)	(2,139)	(2,981)
Dividends paid	(335)	(1,433)	(1,720)	(2,794)	(170)	(1,323)
Proceeds from issue of share capital increase	-	-	-	-	-	-
Proceeds/(payments) of treasury shares and other operations with shareholders and with minority interests	-	-	379	379	(112)	(312)
Operations with other equity holders (1)	170	68	(492)	(561)	241	24
Proceeds on issue of debentures and bonds, and other debts	2,612	2,672	4,268	4,289	3,098	3,687
Proceeds on loans, borrowings and promissory notes	1,675	2,284	3,197	3,973	573	1,202
Cancellation of debentures and bonds, and other debts	(2,410)	(3,760)	(3,833)	(4,654)	(212)	(962)
Repayments of loans, borrowings and promissory notes	(1,070)	(1,744)	(2,923)	(4,040)	(1,693)	(3,555)
Lease Principal Payments	n.a.	n.a.	n.a.	n.a.	(500)	(831)
Financed operating payments and investments in property, plant and equipment and intangible assets payments	(126)	(230)	(321)	(472)	(161)	(358)
Net cash used in financing activities	516	(2,143)	(1,445)	(3,880)	1,064	(2,428)
Effect of changes in exchange rates	(64)	(232)	(231)	(244)	93	27
Cash reclassified to assets held for sale	-	-	-	(111)	(13)	(13)
Effect of changes in consolidation methods and others	1	-	-	(3)	-	(3)
Net increase (decrease) in cash and cash equivalents during the year	(370)	(1,530)	946	500	2,664	1,896
Cash and cash equivalents at the beginning of the period	5,192	5,192	5,192	5,192	5,692	5,692
Cash and cash equivalents at the end of the period	4,822	3,662	6,138	5,692	8,356	7,588

Notes:

- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro.

(1) Includes issuance and coupons of undated deeply subordinated securities.

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

		2018				2019	
		Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun
I	Cash flows from operations	3,340	7,480	11,049	15,961	3,656	7,794
II	Net interest payment (1)	(698)	(986)	(1,283)	(1,636)	(673)	(972)
III	Payment for income tax	(21)	(356)	(518)	(865)	676	471
A=I+II+III	Net cash provided by operating activities (2)	2,621	6,138	9,248	13,460	3,659	7,293
B	Net payment for investment in fixed and intangible assets (3)	(2,104)	(4,582)	(6,344)	(8,585)	(1,990)	(3,834)
	Spectrum (4)	(29)	(619)	(634)	(674)	(21)	(23)
C=A+B	Net free cash flow after CapEx	518	1,556	2,903	4,875	1,669	3,460
D	Net payment for financial investment	(353)	(107)	(33)	65	491	1,300
E	Net payment for operations with minority shareholders and treasury stock (5)	(166)	(1,365)	(1,833)	(2,976)	(41)	(1,610)
F=C+D+E	Free cash flow after dividends	(1)	83	1,037	1,964	2,119	3,150
G	Effects of exchange rate changes on net financial debt	58	(59)	(106)	(213)	303	105
H	Effects on net financial debt of changes in consolid. and others (6)	(524)	(509)	(501)	(51)	1,123	2,201
I	Net financial debt at beginning of period (7)	43,301	43,301	43,301	43,301	41,074	41,074
J=I-F+G+H	Net financial debt at end of period (7)	42,837	42,651	41,658	41,074	40,381	40,230
K	Lease Liabilities (8)	n.a.	n.a.	n.a.	n.a.	7,439	7,542
L=J+K	Net Financial Debt plus Lease Liabilities at end of period (8)	n.a.	n.a.	n.a.	n.a.	47,820	47,772

Notes:

- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro.

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

(2) Includes government grants received

(3) Includes Net Cash received from sale of Real Estate.

(4) Figures in €m. 2019 includes mainly: 2 in Spain, 1 in UK, 2 in Colombia, 1 in Ecuador and 18 in El Salvador. In 2018 mainly: 590 in UK, 7 in Argentina, 2 in Colombia and 20 in Costa Rica.

(5) Dividends paid by Telefónica S.A., operations with treasury stock, issuance of shares, issuance and coupons 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.

(6) Includes Lease Principal Payments following IFRS 16 adoption.

(7) Net financial debt calculation has been redefined in the first quarter of 2019 excluding the mark to market adjustment of the unmatured cash flow hedges associated to debt instruments. This change seeks to eliminate the asymmetry generated by the accounting valuation method of both financial instruments; the debt instrument valued at amortized cost and the derivative at market value. The change has been applied to all comparative periods. Also, following the entry into force of IFRS 16 since 1 January 2019, for comparison purposes, the net financial debt figure of December 2018 has been modified to exclude the lease liability of finance leases.

(8) Considered since 1 January 2019. No data available in 2018.

TELEFÓNICA

RECONCILIATIONS OF CASH FLOW AND OIBDA MINUS CAPEX

Unaudited figures (Euros in millions)

	2018				2019	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan -Dec	Jan - Mar	Jan - Jun
OIBDA	3,864	8,102	12,035	15,571	4,264	8,702
- CapEx accrued during the period	(1,490)	(3,932)	(5,680)	(8,119)	(1,554)	(3,385)
- Payments related to cancellation of commitments	(201)	(398)	(581)	(775)	(239)	(419)
- Net interest payment	(698)	(986)	(1,283)	(1,636)	(673)	(972)
- Payment for tax	(21)	(356)	(518)	(865)	676	471
- Gain (loss) on sale of fixed assets and impairment of goodwill and other assets	2	112	91	323	(95)	(269)
- Investment in working capital and other deferred income and expenses and Others(1)(2)	(939)	(985)	(1,160)	376	(711)	(669)
Net Free Cash Flow after CapEx	518	1,556	2,903	4,875	1,669	3,460
+ Payments related to cancellation of commitments	201	398	581	775	239	419
- Dividends paid to minority shareholders	(168)	(406)	(527)	(746)	(0)	(292)
Free Cash Flow excluding Lease Principal Payments (3)	n.a	n.a.	n.a.	n.a.	1,908	3,587
- Lease Principal Payments (3)	n.a	n.a.	n.a.	n.a.	(500)	(831)
Free Cash Flow including Lease Principal Payments	550	1,548	2,957	4,904	1,408	2,756
Weighted average number of ordinary shares outstanding during the period (millions)	5,127	5,127	5,127	5,127	5,127	5,124
Free Cash Flow per share excluding Lease Principal Payments (3)	n.a	n.a.	n.a.	n.a.	0.37	0.70
Free Cash Flow per share (euros)	0.11	0.30	0.58	0.96	0.27	0.54

Notes:

- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro.

(1) Other deferred expenses include 297M€ in Q4 18 related to commitments associated with long-term restructuring plans in Spain.

(2) Includes Net Cash received from sale of Real Estate.

(3) Considered since 1 January 2019. No data available in 2018.

TELEFÓNICA
EXCHANGE RATES APPLIED TO P&L AND CAPEX

Currency units per Euro	2018				2019	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun
USA (US Dollar)	1.229	1.210	1.194	1.180	1.136	1.130
United Kingdom (Sterling)	0.883	0.880	0.884	0.885	0.873	0.873
Argentina (Argentine Peso) (1)	24.165	25.794	47.369	43.303	48.697	48.265
Brazil (Brazilian Real)	3.988	4.135	4.276	4.292	4.282	4.343
Chile (Chilean Peso)	739.733	740.258	750.008	756.458	757.983	762.875
Colombia (Colombian Peso)	3,509.967	3,446.624	3,444.297	3,485.231	3,561.812	3,600.788
Costa Rica (Colon)	702.741	690.131	682.594	684.463	692.521	681.199
Guatemala (Quetzal)	9.049	8.958	8.895	8.873	8.767	8.692
Mexico (Mexican Peso)	23.013	23.065	22.712	22.688	21.819	21.644
Nicaragua (Cordoba)	38.057	37.708	37.435	37.238	36.943	36.964
Peru (Peruvian Nuevo Sol)	3.978	3.930	3.895	3.878	3.776	3.753
Uruguay (Uruguayan Peso)	35.025	35.409	35.886	36.200	37.268	38.188
Venezuela (2)	316,069.669	2,762,430.939	496.074	8,714.287	69,714.172	9,004.900

Note:

- Average exchange rate for the period.

(1) Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro.

(2) The operations of Telefónica in Venezuela adjusted by inflation are to be accounted at the closing exchange rate vs. the Euro. For the January-June 2019 period Telefónica uses a synthetic Exchange rate of 7,919.5 Bolívares Soberanos/USD. For the periods including January-June 2018, the synthetic Exchange rate used was based on Bolívar Fuerte, while for the periods onwards the synthetic exchange used was based on the Bolívar Soberano.

EXCHANGE RATES APPLIED TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Currency units per Euro	2018				2019	
	March	June	September	December	March	June
USA (US Dollar)	1.232	1.165	1.158	1.145	1.123	1.137
United Kingdom (Sterling)	0.875	0.886	0.888	0.895	0.858	0.896
Argentina (Argentine Peso)	24.815	33.632	47.369	43.303	48.697	48.265
Brazil (Brazilian Real)	4.095	4.493	4.638	4.438	4.377	4.357
Chile (Chilean Peso)	743.318	758.823	764.930	795.754	762.160	772.225
Colombia (Colombian Peso)	3,425.268	3,415.114	3,442.530	3,722.094	3,566.079	3,645.006
Costa Rica (Colon)	701.262	664.011	678.426	700.771	678.426	665.779
Guatemala (Quetzal)	9.115	8.731	8.921	8.861	8.628	8.765
Mexico (Mexican Peso)	22.508	22.945	21.686	22.507	21.766	21.841
Nicaragua (Cordoba)	38.385	36.753	36.979	37.030	36.745	37.652
Peru (Peruvian Nuevo Sol)	3.975	3.812	3.822	3.864	3.728	3.738
Uruguay (Uruguayan Peso)	34.972	36.666	38.470	37.116	37.611	40.004
Venezuela (2)	316,069.669	2,762,430.939	496.074	8,714.287	69,714.172	9,004.900

Notes:

- Exchange rates as of the end of the period.

(2) The operations of Telefónica in Venezuela adjusted by inflation are to be accounted at the closing exchange rate vs. the Euro. For the closing of June 2019 Telefónica uses a synthetic Exchange rate of 7,919.5 Bolívares Soberanos/USD. For the closing of March and June 2018, the synthetic Exchange rate used was based on Bolívar Fuerte, while for the closing of September and December 2018 the synthetic exchange used was based on the Bolívar Soberano.

TELEFÓNICA
2019 MAIN LONG TERM FINANCING OPERATIONS
Unaudited figures

	Issue date	Amount (m)	Currency	Issuer	Coupon	Maturity date	ISIN code
DEBENTURES AND BONDS							
Green Bond	5-Feb-19	1,000	EUR	Telefónica Emisiones, S.A.U.	1.069 %	5-Feb-24	XS1946004451
USD Bond	1-Mar-19	1,250	USD	Telefónica Emisiones, S.A.U.	5.520 %	1-Mar-49	US87938WAX11
Eurobond	12-Mar-19	1,000	EUR	Telefónica Emisiones, S.A.U.	1.788 %	12-Mar-29	XS1961772560
PEN Bond	10-Apr-19	1,700	PEN	Telefónica del Perú SAA	7.375 %	10-Apr-27	US87938YAA73
Promissory Notes	25-Apr-19	360	EUR	Telefónica Germany & Co. OHG	1.786% (1)	25-Apr-29 (1)	
COP Bond	29-May-19	347,590	COP	Colombia Telecomunicaciones S.A. E.S.P.	6.650 %	29-May-24	COI06CB00014
COP Bond	29-May-19	152,410	COP	Colombia Telecomunicaciones S.A. E.S.P.	IPC + 3.390%	29-May-29	COI06CB00022
Eurobond	1-Jul-19	500	EUR	Telefónica Emisiones, S.A.U.	1.957 %	1-Jul-39	XS2020583618

	Issue date	Amount (m)	Currency	Issuer	Coupon	First Call date	ISIN code
UNDATED DEEPLY SUBORDINATED RESET RATE SECURITIES							
Hybrid bond	14-Mar-19	1,300	EUR	Telefónica Europe B.V.	4.375 %	14-Mar-25	XS1933828433

	Signing date	Amount	Currency	Borrower	Maturity date
INTEREST-BEARING DEBT					
Bilateral Loan	14-May-19	300	EUR	Telefónica, S.A.	15-May-26 (2)
Bilateral Loan	11-Jul-19	200	EUR	Telefónica, S.A.	30-Aug-26 (2)

(1) Maximum coupon and maturity date.

(2) Maximum maturity date.

TELEFÓNICA
 RECONCILIATION REPORTED VS BASIS FOR GUIDANCE 2019
Unaudited figures (Euros in millions)

	Base 2018
REVENUES	Jan - Dec
TELEFÓNICA	
REPORTED DATA	48,693
Hyperinflation in Argentina	313
Changes in the consolidation perimeter	(307)
TELEFÓNICA TOTAL REVENUES BASIS FOR GUIDANCE	48,699

	Base 2018
OIBDA	Jan - Dec
TELEFÓNICA	
REPORTED DATA	15,571
Hyperinflation in Argentina	148
Changes in the consolidation perimeter	(110)
Restructuring charges	457
Contingencies	215
Judicial decision PIS/COFINS	(789)
Impairments	350
Capital gains/losses on sale of companies	(18)
TELEFÓNICA TOTAL OIBDA BASIS FOR GUIDANCE	15,826

Notes:

Criteria for guidance 2019:

Assumes average constant foreign exchange rates of 2018, except for Venezuela (2018 and 2019 results converted at the closing synthetic exchange rate for each period) and excludes the hyperinflation adjustment in Argentina. Considers constant perimeter of consolidation. Excludes the effects of the accounting change to IFRS 16, write-offs, capital gains/losses from the sale of companies, restructuring costs and material non-recurring impacts. CapEx excludes spectrum investments.

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

	2018				2019		
	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	3,098	3,167	3,188	3,253	12,706	3,108	3,175
Mobile handset revenues	91	88	98	109	386	76	89
Revenues ex-mobile handset revenues	3,007	3,079	3,090	3,144	12,320	3,033	3,086
Consumer (1)	1,666	1,670	1,684	1,669	6,689	1,666	1,655
Convergent	1,171	1,200	1,207	1,217	4,795	1,222	1,234
Non convergent	495	470	477	452	1,894	444	420
Business	835	880	838	909	3,462	860	881
Communications	650	662	640	651	2,602	641	634
IT	185	218	198	258	860	219	247
Wholesale & others (2)	506	529	567	566	2,169	507	550
Internal expenditure capitalised in fixed assets	69	78	69	75	292	76	74
Operating expenses	(1,939)	(1,977)	(1,986)	(2,412)	(8,314)	(1,929)	(1,983)
Supplies	(852)	(886)	(905)	(1,020)	(3,663)	(913)	(978)
Personnel expenses	(503)	(491)	(479)	(775)	(2,248)	(488)	(483)
Other operating expenses	(584)	(600)	(602)	(616)	(2,403)	(527)	(522)
Other net income (expense)	(3)	2	4	18	21	88	5
Gain (loss) on sale of fixed assets	3	13	18	32	66	6	52
Impairment of goodwill and other assets	(5)	(0)	(2)	(0)	(7)	(0)	(0)
Operating income before D&A (OIBDA)	1,224	1,283	1,290	966	4,763	1,350	1,322
<i>OIBDA Margin</i>	<i>39.5 %</i>	<i>40.5 %</i>	<i>40.5 %</i>	<i>29.7 %</i>	<i>37.5 %</i>	<i>43.4 %</i>	<i>41.6 %</i>
CapEx	346	432	379	562	1,719	377	435
Spectrum	-	-	7	115	122	-	-
OpCF (OIBDA-CapEx)	878	852	911	404	3,044	973	887

Notes:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

- OIBDA before management and brand fees.

(1) Consumer revenues include residential and SOHO revenues.

(2) Wholesale and other revenues include subsidiaries and other revenues.

TELEFÓNICA ESPAÑA
ACCESSES
Unaudited figures (Thousands)

	2018				2019	
	March	June	September	December	March	June
Final Clients Accesses	37,154.0	37,278.6	37,760.8	37,966.5	37,847.8	38,047.1
Fixed telephony accesses (1)	9,450.6	9,397.5	9,405.2	9,361.3	9,220.7	9,161.4
Internet and data accesses	6,032.8	6,050.1	6,129.4	6,129.6	6,083.7	6,087.8
Broadband	6,014.7	6,032.0	6,110.5	6,113.5	6,068.0	6,072.4
FTTH	3,550.5	3,667.5	3,822.2	3,940.6	4,025.5	4,150.8
Mobile accesses	17,743.3	17,896.1	18,189.8	18,384.4	18,448.6	18,691.9
Prepay	1,683.9	1,603.6	1,527.3	1,440.1	1,341.2	1,258.6
Contract	16,059.3	16,292.5	16,662.5	16,944.3	17,107.4	17,433.2
M2M	2,083.7	2,149.2	2,227.4	2,333.2	2,353.9	2,487.0
Pay TV	3,927.3	3,934.9	4,036.4	4,091.3	4,094.8	4,106.1
Wholesale Accesses	4,119.0	4,035.1	3,948.0	3,912.9	3,858.4	3,822.5
Fibre	995.8	1,158.9	1,309.8	1,522.2	1,719.2	1,863.4
Total Accesses	41,273.0	41,313.7	41,708.8	41,879.4	41,706.2	41,869.6

(1) Includes fixed wireless and VoIP accesses. Since Q1 18 business accesses were restated.

CONSUMER ACCESSES (Convergent + Non convergent)
Unaudited figures (thousands)

	2018				2019	
	March	June	September	December	March	June
Fixed telephony accesses	6,799.9	6,721.7	6,716.6	6,657.7	6,520.7	6,453.6
Internet and data accesses	5,187.7	5,198.6	5,274.0	5,272.9	5,224.9	5,225.3
Mobile accesses	12,141.4	12,236.6	12,450.2	12,530.5	12,540.7	12,650.3
Prepay	1,683.9	1,603.6	1,527.3	1,440.1	1,341.2	1,258.6
Contract	10,457.5	10,633.0	10,922.8	11,090.4	11,199.5	11,391.7
Pay TV	3,927.3	3,934.9	4,036.4	4,091.3	4,094.8	4,106.1
Total Consumer Accesses	28,056.3	28,091.8	28,477.1	28,552.4	28,381.0	28,435.2

TOTAL MOBILE ACCESSES
Unaudited figures (thousands)

	2018				2019	
	March	June	September	December	March	June
Contract percentage (%)	90.5 %	91.0 %	91.6 %	92.2 %	92.7 %	93.3 %
Smartphones ('000)	12,264.6	12,356.6	12,731.9	12,889.7	13,001.6	13,170.8
Smartphone penetration (%)	78.5 %	78.7 %	79.9 %	80.5 %	80.9 %	81.4 %
LTE ('000)	8,002.5	8,270.0	8,596.5	8,843.2	9,006.7	9,197.5
LTE penetration (%)	51.1 %	52.5 %	53.9 %	55.1 %	56.0 %	56.8 %

CONSUMER CONVERGENT
Unaudited figures (thousands)

	2018				2019	
	March	June	September	December	March	June
Convergent Customers	4,460.0	4,482.1	4,562.6	4,613.8	4,626.5	4,663.7
High speed Fibre	1,708.5	1,696.9	1,773.6	1,823.4	1,885.6	2,032.1
IPTV/ Satellite	3,470.6	3,508.6	3,625.6	3,711.0	3,755.5	3,795.8
Mobile add-ons	4,036.7	4,248.0	4,482.3	4,687.7	4,818.0	4,968.4
Convergent Accesses	20,887.3	21,203.0	21,795.7	22,240.0	22,453.1	22,755.2

CONSUMER CONVERGENT
Unaudited figures

	2018				2019	
	Q1	Q2	Q3	Q4	Q1	Q2
Convergent ARPU (EUR)	87.8	89.5	89.2	88.2	88.2	88.5
Convergent churn	1.5 %	1.5 %	1.5 %	1.5 %	1.7 %	1.5 %
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dic	Jan - Mar	Jan - Jun
Convergent ARPU (EUR)	87.8	88.6	88.8	88.7	88.2	88.4
Convergent churn	1.5 %	1.5 %	1.5 %	1.5 %	1.7 %	1.6 %

SELECTED OPERATIONAL DATA
Unaudited figures

	2018				2019	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun
Total data traffic (TB)	2,113,454	4,296,235	6,598,644	9,176,392	2,733,020	5,584,845
Fixed data traffic (TB)	1,978,154	4,010,990	6,120,345	8,507,409	2,538,715	5,162,458
Mobile data traffic (TB)	135,300	285,245	478,299	668,984	194,305	422,388

Notes:

- Convergent: Fusión and Multibrand included from Q4 2018.

- Data traffic is defined as Terabytes used by the company's 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.

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

	2018				2019		
	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	1,767	1,758	1,830	1,965	7,320	1,779	1,785
Mobile Business	1,566	1,560	1,638	1,775	6,539	1,596	1,600
Mobile service revenues	1,287	1,311	1,339	1,330	5,267	1,281	1,319
Data revenues	708	725	744	753	2,922	730	751
Handset revenues	280	249	299	445	1,272	315	281
Fixed Business	199	192	191	185	767	182	185
FBB and new services revenues (1)	153	147	145	143	589	144	146
Voice & access revenues	46	44	46	42	178	38	39
Internal expenditure capitalised in fixed assets	27	28	27	27	108	26	31
Operating expenses	(1,383)	(1,281)	(1,390)	(1,500)	(5,553)	(1,261)	(1,229)
Supplies	(587)	(538)	(622)	(712)	(2,459)	(568)	(527)
Personnel expenses	(152)	(151)	(148)	(159)	(610)	(150)	(153)
Other operating expenses	(644)	(591)	(620)	(629)	(2,484)	(543)	(550)
Other net income (expense)	(8)	(26)	3	(9)	(41)	(22)	(7)
Gain (loss) on sale of fixed assets	0	-	-	0	0	0	(2)
Impairment of goodwill and other assets	-	-	-	-	-	-	-
Operating income before D&A (OIBDA)	403	479	470	482	1,834	522	578
<i>OIBDA Margin</i>	22.8 %	27.2 %	25.7 %	24.5 %	25.1 %	29.4 %	32.4 %
CapEx	197	228	316	226	966	252	243
Spectrum	-	-	-	-	-	-	-
OpCF (OIBDA-CapEx)	207	251	154	256	868	270	335

Note:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

- OIBDA before management and brand fees.

(1) Includes broadband connectivity services (retail and wholesale), value-added services, data and ICT revenues, other services over connectivity and FBB equipment.

TELEFÓNICA DEUTSCHLAND
ACCESSES

Unaudited figures (Thousands)

	2018				2019	
	March	June	September	December	March	June
Final Clients Accesses	47,011.3	47,171.6	47,268.1	47,089.5	47,202.1	47,555.9
Fixed telephony accesses (1)	1,968.7	1,958.8	1,966.4	1,996.0	2,041.2	2,078.4
Internet and data accesses	2,265.6	2,251.1	2,252.8	2,274.7	2,247.7	2,259.9
Broadband	2,060.0	2,048.5	2,054.4	2,079.8	2,123.7	2,162.0
VDSL	1,243.4	1,329.7	1,388.9	1,441.3	1,506.6	1,565.7
Mobile accesses	42,777.0	42,961.6	43,048.9	42,818.8	42,913.2	43,217.6
Prepay	21,345.9	21,197.6	21,052.4	20,542.9	20,331.8	20,335.1
Contract (2)	21,431.1	21,764.0	21,996.5	22,275.9	22,581.4	22,882.5
M2M	1,067.2	1,103.4	1,134.9	1,187.9	1,210.0	1,153.9
Wholesale Accesses	63.3	8.0	0.2	0.0	-	-
Total Accesses	47,074.6	47,179.6	47,268.3	47,089.5	47,202.1	47,555.9

(1) Includes fixed wireless and VoIP accesses.

(2) Impacted by the disconnection of 67k inactive M2M accesses in Q2 19.

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019	
	March	June	September	December	March	June
Contract percentage (%)	50.1 %	50.7 %	51.1 %	52.0 %	52.6 %	52.9 %
Smartphones ('000)	25,707.5	26,411.1	27,079.8	27,335.3	27,779.7	28,577.0
Smartphone penetration (%)	62.0 %	63.5 %	64.9 %	66.0 %	66.6 %	67.9 %
LTE ('000)	16,093.5	16,595.8	17,157.3	18,433.7	19,253.6	20,175.4
LTE penetration (%)	38.6 %	39.6 %	40.9 %	44.3 %	46.2 %	48.0 %
Mobile churn (quarterly)	2.2 %	1.8 %	2.0 %	2.3 %	1.9 %	1.8 %
Contract (1)	1.7 %	1.5 %	1.6 %	1.8 %	1.6 %	1.5 %
Mobile churn (cumulative YTD)	2.2 %	2.0 %	2.0 %	2.1 %	1.9 %	1.8 %
Contract (1)	1.7 %	1.6 %	1.6 %	1.6 %	1.6 %	1.5 %
Mobile ARPU (EUR) (cumulative YTD)	9.8	9.9	10.0	10.0	9.8	9.9
Prepay	5.6	5.7	5.8	5.8	5.7	5.8
Contract (1)	14.8	14.8	14.9	14.9	14.2	14.3
Fixed data traffic (TB) (cumulative YTD)	718,369	1,383,972	2,067,582	2,887,439	766,641	1,569,617
Mobile data traffic (TB) (cumulative YTD)	126,040	277,660	443,100	622,349	193,007	419,760

Notes:

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

- Data traffic is defined as Terabytes used by the company's 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 UK
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2018				Jan - Dec	2019	
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec		Jan - Mar	Apr - Jun
Revenues	1,586	1,638	1,721	1,846	6,790	1,691	1,720
Mobile service revenues	1,163	1,221	1,241	1,212	4,837	1,182	1,202
Data revenues	669	699	698	679	2,744	679	693
Handset revenues and other	423	417	480	634	1,953	508	518
Internal expenditure capitalised in fixed assets	29	33	29	35	127	37	38
Operating expenses	(1,181)	(1,221)	(1,286)	(1,342)	(5,029)	(1,201)	(1,193)
Supplies	(534)	(546)	(589)	(691)	(2,359)	(586)	(556)
Personnel expenses	(107)	(112)	(112)	(114)	(445)	(119)	(124)
Other operating expenses	(540)	(563)	(585)	(537)	(2,225)	(496)	(513)
Other net income (expense)	(4)	(1)	(1)	(18)	(23)	(23)	(26)
Gain (loss) on sale of fixed assets	-	(0)	-	-	-	-	9
Impairment of goodwill and other assets	-	-	-	-	-	-	-
Operating income before D&A (OIBDA)	430	450	464	522	1,865	504	548
<i>OIBDA Margin</i>	27.1 %	27.5 %	26.9 %	28.3 %	27.5 %	29.8 %	31.9 %
CapEx	183	804	215	263	1,464	185	224
Spectrum	-	588	-	-	588	-	-
OpCF (OIBDA-CapEx)	247	(354)	249	259	400	319	324

Notes:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.
- OIBDA before management and brand fees.

TELEFÓNICA UK

ACCESSES

Unaudited figures (Thousands)

	2018				2019	
	March	June	September	December	March	June
Fixed telephony accesses (1)	285.8	296.1	301.3	306.9	309.3	310.9
Internet and data accesses	25.7	26.6	27.7	28.1	28.4	28.5
Broadband	25.7	26.6	27.7	28.1	28.4	28.5
Mobile accesses	24,775.3	24,758.7	24,821.4	25,044.1	25,056.2	25,396.5
Prepay	8,959.1	8,858.3	8,804.0	8,742.6	8,534.6	8,482.6
Contract	15,816.2	15,900.3	16,017.4	16,301.4	16,521.6	16,913.9
M2M	3,370.1	3,411.7	3,408.3	3,578.0	3,785.2	4,149.1
Wholesale Accesses	7,247.1	7,340.0	7,457.2	7,599.2	7,690.1	7,865.3
Mobile wholesale accesses	7,247.1	7,340.0	7,457.2	7,599.2	7,690.1	7,865.3
Total accesses	32,334.0	32,421.4	32,607.6	32,978.3	33,084.0	33,601.3

(1) Includes fixed wireless and VoIP accesses.

MOBILE ACCESSES

Unaudited figures (Thousands)

	2018				2019	
	March	June	September	December	March	June
Retail mobile accesses	24,775.3	24,758.7	24,821.4	25,044.1	25,056.2	25,396.5
Wholesale mobile accesses	7,247.1	7,340.0	7,457.2	7,599.2	7,690.1	7,865.3
Total mobile accesses	32,022.4	32,098.6	32,278.6	32,643.2	32,746.3	33,261.8

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019	
	March	June	September	December	March	June
Contract percentage (%)	63.8 %	64.2 %	64.5 %	65.1 %	65.9 %	66.6 %
Smartphones ('000)	15,917.8	15,979.7	15,824.1	16,302.8	16,325.0	16,523.4
Smartphone penetration (%)	77.2 %	77.8 %	76.8 %	79.0 %	79.8 %	80.9 %
LTE ('000)	12,773.3	12,500.3	13,362.6	13,502.1	13,728.1	14,110.4
LTE penetration (%)	59.7 %	58.6 %	62.4 %	62.9 %	64.5 %	66.4 %
Mobile churn (quarterly)	1.9 %	1.9 %	2.1 %	1.9 %	1.9 %	1.7 %
Contract (1)	1.0 %	1.0 %	1.0 %	1.0 %	0.9 %	0.9 %
Mobile churn (cumulative YTD)	1.9 %	1.9 %	2.0 %	1.9 %	1.9 %	1.8 %
Contract (1)	1.0 %	1.0 %	1.0 %	1.0 %	0.9 %	0.9 %
Mobile ARPU (EUR) (cumulative YTD)	14.7	15.0	15.1	15.1	14.6	14.7
Prepay	6.8	6.9	7.1	7.1	7.2	7.4
Contract (1)	24.2	24.7	24.8	24.6	23.7	23.8
Mobile data traffic (TB) (cumulative YTD)	126,797	274,846	442,731	613,219	177,868	381,754

Notes:

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

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

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	2,705	2,522	2,345	2,553	10,126	2,563	2,467
Mobile Business	1,696	1,589	1,463	1,624	6,371	1,654	1,582
Mobile service revenues	1,599	1,476	1,355	1,493	5,924	1,514	1,439
Data revenues	1,239	1,157	1,076	1,187	4,659	1,248	1,179
Handset revenues	97	112	108	131	448	140	143
Fixed Business	1,009	934	882	930	3,754	909	885
FBB and new services revenues (1)	458	440	434	473	1,804	470	467
Pay TV revenues	118	111	107	114	450	110	106
Voice & access revenues	432	384	341	343	1,501	330	312
Internal exp. capitalised in fixed assets	30	31	27	30	117	33	40
Operating expenses	(1,740)	(1,233)	(1,312)	(1,636)	(5,921)	(1,551)	(1,500)
Supplies	(504)	(530)	(465)	(541)	(2,039)	(440)	(405)
Personnel expenses	(279)	(295)	(234)	(272)	(1,080)	(249)	(250)
Other operating expenses	(957)	(408)	(613)	(824)	(2,801)	(862)	(845)
Other net income (expense)	(15)	(43)	5	13	(41)	(4)	(7)
Gain (loss) on sale of fixed assets	(0)	(1)	9	6	13	10	2
Impairment of goodwill and other assets	2	(1)	1	14	17	(0)	(0)
Operating income before D&A (OIBDA)	982	1,275	1,075	979	4,311	1,050	1,001
OIBDA Margin	36.3 %	50.5 %	45.9 %	38.4 %	42.6 %	40.9 %	40.6 %
CapEx	388	504	530	488	1,910	396	538
Spectrum	-	-	-	2	2	-	-
OpCF (OIBDA-CapEx)	594	771	545	491	2,401	654	463

Notes:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

- OIBDA before management and brand fees.

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

TELEFÓNICA BRASIL

ACCESSES

Unaudited figures (thousands)

	2018				2019	
	March	June	September	December	March	June
Final Clients Accesses	97,905.1	97,897.8	96,817.2	95,287.2	95,091.7	94,458.3
Fixed telephony accesses (1)	13,679.5	13,459.7	13,209.6	13,004.6	12,557.9	11,891.0
Internet and data accesses	7,544.9	7,569.9	7,583.4	7,564.7	7,493.2	7,371.7
Broadband	7,476.6	7,489.9	7,502.6	7,485.2	7,414.4	7,297.1
FTTx/cable	4,643.2	4,791.7	4,917.3	4,991.1	5,031.5	5,041.1
Mobile accesses	75,089.3	75,253.9	74,423.6	73,151.3	73,519.1	73,735.3
Prepay	37,599.0	36,827.1	35,017.0	32,754.4	32,506.2	32,030.2
Contract	37,490.3	38,426.8	39,406.7	40,396.9	41,012.8	41,705.1
M2M	6,664.9	7,105.5	7,628.7	8,203.3	8,674.5	9,115.8
Pay TV	1,591.5	1,614.3	1,600.5	1,566.6	1,521.5	1,460.2
Total Accesses	97,919.1	97,912.7	96,832.0	95,302.0	95,106.4	94,472.8

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019	
	March	June	September	December	March	June
Contract percentage (%)	49.9 %	51.1 %	52.9 %	55.2 %	55.8 %	56.6 %
Smartphones ('000)	56,291.8	57,636.1	58,725.5	57,834.5	56,282.3	55,157.2
Smartphone penetration (%)	83.8 %	86.0 %	89.3 %	90.4 %	88.1 %	86.5 %
LTE ('000)	37,566.4	39,404.1	40,325.9	41,103.8	42,956.1	45,192.4
LTE penetration (%)	54.9 %	57.8 %	60.4 %	63.3 %	66.2 %	69.9 %
Mobile churn (quarterly)	3.1 %	3.0 %	3.7 %	4.1 %	3.2 %	3.4 %
Contract (1)	1.6 %	1.8 %	1.9 %	1.7 %	1.7 %	1.8 %
Mobile churn (cumulative YTD)	3.1 %	3.0 %	3.3 %	3.5 %	3.2 %	3.3 %
Contract (1)	1.6 %	1.7 %	1.8 %	1.7 %	1.7 %	1.8 %
Mobile ARPU (EUR) (cumulative YTD)	7.0	6.6	6.4	6.4	6.7	6.5
Prepay	3.2	3.0	2.8	2.8	2.8	2.8
Contract (1)	13.0	12.4	11.9	11.9	12.2	11.8
Mobile data traffic (TB) (cumulative YTD)	228,836	477,228	777,616	1,110,125	381,864	781,043
Fixed telephony ARPU (EUR) (cumulative YTD)	10.3	9.8	9.3	9.1	8.4	8.4
Pay TV ARPU (EUR) (cumulative YTD)	24.7	23.9	23.3	23.5	23.8	23.7
Broadband ARPU (EUR) (cumulative YTD)	13.2	12.7	12.6	13.0	14.0	14.0
Fixed data traffic (TB) (cumulative YTD)	4,838,067	10,190,227	15,949,403	21,954,704	6,201,789	12,436,560

Notes:

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

- Data traffic is defined as Terabytes used by the company's 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 HISPAM SUR
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	1,833	1,798	1,315	1,988	6,677	1,612	1,743
Mobile Business	1,120	1,089	761	1,166	3,964	945	1,003
Mobile service revenues	898	863	584	916	3,115	732	779
Data revenues	535	538	334	515	1,800	486	502
Handset revenues	222	227	177	250	849	213	224
Fixed Business	713	709	556	822	2,712	666	738
FBB and new services revenues (1)	380	375	275	419	1,382	368	401
Pay TV revenues	133	136	133	130	531	133	138
Voice & access revenues	200	198	148	273	799	165	200
Internal exp. capitalised in fixed assets	18	19	16	20	71	17	16
Operating expenses	(1,342)	(1,331)	(1,026)	(1,552)	(5,089)	(1,201)	(1,298)
Supplies	(513)	(531)	(431)	(611)	(2,051)	(452)	(462)
Personnel expenses	(271)	(245)	(174)	(307)	(943)	(235)	(248)
Other operating expenses	(558)	(554)	(421)	(634)	(2,095)	(514)	(588)
Other net income (expense)	8	18	6	20	51	13	8
Gain (loss) on sale of fixed assets	(0)	3	0	7	10	-	26
Impairment of goodwill and other assets	-	-	-	-	-	-	-
Operating income before D&A (OIBDA)	517	507	311	483	1,719	441	495
OIBDA Margin	28.2 %	28.2 %	23.7 %	24.3 %	25.7 %	27.4 %	28.4 %
CapEx	251	302	178	431	1,116	243	250
Spectrum	7	-	11	4	21	-	3
OpCF (OIBDA-CapEx)	266	205	133	51	603	199	244

Notes:

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

TELEFÓNICA HISPAM SUR
SELECTED FINANCIAL DATA
Unaudited figures (Euros in millions)

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	1,833	1,798	1,315	1,988	6,677	1,612	1,743
Telefónica Argentina	755	703	232	884	2,315	543	671
Telefónica Chile	526	525	505	524	2,080	498	487
Telefónica Perú	501	518	527	528	2,075	518	535
Telefónica Uruguay	56	56	53	56	221	56	54
Other and eliminations	(4)	(3)	(2)	(5)	(13)	(4)	(4)
Service Revenues	1,611	1,572	1,140	1,738	5,827	1,399	1,519
Telefónica Argentina	682	633	209	798	2,088	495	602
Telefónica Chile	447	451	432	439	1,769	420	420
Telefónica Perú	436	442	451	456	1,785	437	453
Telefónica Uruguay	50	49	48	51	198	51	48
Other and eliminations	(4)	(3)	(1)	(5)	(13)	(4)	(4)
OIBDA	517	507	311	483	1,719	441	495
Telefónica Argentina	245	218	54	252	669	145	181
Telefónica Chile	153	158	156	150	617	169	170
Telefónica Perú	98	111	80	60	350	107	125
Telefónica Uruguay	21	20	20	22	82	21	20
Other and eliminations	-	-	2	(1)	1	-	(0)
CapEx	251	302	178	431	1,116	243	250
Telefónica Argentina	124	130	38	153	399	89	86
Telefónica Chile	76	91	63	110	341	88	94
Telefónica Perú	48	74	71	150	342	61	65
Telefónica Uruguay	4	6	7	18	34	5	6
Other and eliminations	-	-	-	-	-	-	0
Spectrum	7	-	11	4	21	-	3
Telefónica Argentina	7	-	11	4	21	-	3
Telefónica Chile	-	-	-	-	-	-	-
Telefónica Perú	-	-	-	-	-	-	-
Telefónica Uruguay	-	-	-	-	-	-	-
Other and eliminations	-	-	-	-	-	-	-
OpCF (OIBDA-CapEx)	266	205	133	51	603	199	244
Telefónica Argentina	121	88	16	99	269	56	95
Telefónica Chile	77	67	93	39	276	80	76
Telefónica Perú	51	37	10	(90)	8	46	60
Telefónica Uruguay	17	14	13	4	48	16	14
Other and eliminations	-	-	2	(1)	1	-	(0)

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

- OIBDA before management and brand fees.

- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro. Consolidated reported results for July-September 2018 have been calculated taking as a reference first half 2018 results adjusted by inflation in Argentina. For comparative purposes only, hyperinflation adjustment would have been -€2m in Revenues, -€13m in OIBDA, -€1m in CapEx and -€12m in OpCF for the Jan-Mar 2018 period and -€256m in Revenues, -€86m in OIBDA, -€46m in CapEx and -€41m in OpCF for the Apr-Jun 2018 period.

TELEFÓNICA HISPAM SUR
ACCESSES

Unaudited figures (thousands)

	2018				2019	
	March	June	September	December	March	June
Final Clients Accesses	57,783.3	57,531.8	56,723.6	56,889.9	55,788.5	54,997.2
Fixed telephony accesses (1)	7,811.1	7,684.6	7,549.9	7,435.2	7,301.3	7,097.8
Internet and data accesses	4,611.4	4,648.1	4,675.4	4,669.7	4,677.4	4,655.5
Broadband	4,492.4	4,528.3	4,554.9	4,549.5	4,553.7	4,531.8
FTTx/cable	1,829.2	2,089.2	2,285.8	2,490.8	2,669.8	2,828.4
Mobile accesses	43,276.3	43,042.8	42,324.7	42,575.1	41,564.8	40,976.4
Prepay	26,973.7	26,386.8	25,504.3	25,571.6	24,788.4	24,104.3
Contract (2)	16,302.6	16,655.9	16,820.4	17,003.5	16,776.4	16,872.1
M2M	1,240.2	1,339.4	1,396.2	1,457.7	1,504.1	1,567.3
Pay TV	2,084.6	2,156.4	2,173.5	2,209.9	2,244.9	2,267.5
Total Accesses	57,808.9	57,556.0	56,747.9	56,913.1	55,810.5	55,019.6

Notes:

(1) Includes fixed wireless and VoIP accesses.

(2) Includes the disconnection of 273 thousand inactive contract accesses in Peru in the first quarter 2019.

MOBILE ACCESSES

Unaudited figures

	2018				2019	
	March	June	September	December	March	June
Contract percentage (%)	37.7 %	38.7 %	39.7 %	39.9 %	40.4 %	41.2 %
Smartphones ('000)	21,331.4	21,507.3	21,056.7	21,370.3	21,208.8	21,033.6
Smartphone penetration (%)	51.4 %	52.2 %	52.1 %	52.6 %	53.6 %	54.0 %
LTE ('000)	13,713.1	13,777.7	14,694.1	15,980.2	16,175.7	16,317.8
LTE penetration (%)	32.6 %	33.0 %	36.0 %	38.9 %	40.4 %	41.4 %

TELEFÓNICA ARGENTINA
 SELECTED FINANCIAL DATA
 Unaudited figures (Euros in millions)

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	755	703	232	884	2,315	543	671
Mobile Business	500	465	151	552	1,497	340	418
Mobile service revenues	427	395	128	466	1,270	292	349
Data revenues	266	263	66	261	732	233	247
Handset revenues	73	70	23	86	227	48	69
Fixed Business	255	238	82	332	818	202	251
FBB and new services revenues (1)	153	140	32	154	410	123	139
Pay TV revenues	-	-	-	-	-	2	3
Voice & access revenues	102	98	50	178	407	77	109
OIBDA	245	218	54	252	669	145	181
OIBDA margin	32.4 %	31.0 %	23.2 %	28.5 %	28.9 %	26.6 %	26.9 %
CapEx	124	130	38	153	399	89	86
Spectrum	7	-	11	4	21	-	3
OpCF (OIBDA-CapEx)	121	88	16	99	269	56	95

Note:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

- OIBDA is presented before management and brand fees.

- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro. Consolidated reported results for July-September 2018 have been calculated taking as a reference first half 2018 results adjusted by inflation in Argentina. For comparative purposes only, hyperinflation adjustment would have been -€2m in Revenues, -€13m in OIBDA, -€1m in CapEx and -€12m in OpCF for the Jan-Mar 2018 period and -€257m in Revenues, -€87m in OIBDA, -46€m in CapEx and -€41m in OpCF for the Apr-Jun 2018 period.

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

TELEFÓNICA ARGENTINA
ACCESSES
Unaudited figures (Thousands)

	2018				2019	
	March	June	September	December	March	June
Final Clients Accesses	24,507.7	24,208.3	23,798.2	23,910.6	23,477.2	23,315.9
Fixed telephony accesses (1)	4,023.4	3,908.5	3,770.6	3,667.3	3,530.3	3,400.7
Fixed wireless	192.9	184.5	170.4	173.2	161.0	156.9
Internet and data accesses	1,648.5	1,613.3	1,579.9	1,546.1	1,497.8	1,453.5
Broadband	1,613.5	1,578.6	1,545.5	1,512.1	1,463.8	1,419.8
FTTx	294.7	353.2	416.9	468.6	495.1	531.9
Mobile accesses	18,835.8	18,686.5	18,446.3	18,666.8	18,389.8	18,370.1
Prepay	11,259.6	11,011.4	10,726.8	10,907.0	10,702.3	10,616.1
Contract	7,576.2	7,675.1	7,719.5	7,759.7	7,687.5	7,754.0
M2M	614.3	629.4	658.0	698.0	717.0	758.7
Pay TV	-	-	1.4	30.4	59.2	91.6
Total Accesses	24,528.1	24,227.4	23,817.1	23,928.3	23,493.5	23,332.2

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA
Unaudited figures

	2018				2019	
	March	June	September	December	March	June
Contract percentage (%)	40.2 %	41.1 %	41.8 %	41.6 %	41.8 %	42.2 %
Smartphones ('000)	8,879.0	8,988.5	8,949.3	9,074.2	8,967.5	9,254.1
Smartphone penetration (%)	49.0 %	50.1 %	50.6 %	50.8 %	51.0 %	52.8 %
LTE ('000)	6,673.1	6,714.7	6,751.7	7,647.0	7,759.0	7,807.6
LTE penetration (%)	36.6 %	37.2 %	38.0 %	42.6 %	43.9 %	44.3 %
Mobile churn (quarterly)	3.2 %	2.9 %	2.6 %	1.7 %	2.7 %	2.7 %
Contract (1)	1.1 %	1.1 %	1.3 %	1.5 %	2.1 %	2.2 %
Mobile churn (cumulative YTD)	3.2 %	2.9 %	2.8 %	2.5 %	2.7 %	2.7 %
Contract (1)	1.1 %	1.1 %	1.2 %	1.3 %	2.1 %	2.1 %
Mobile ARPU (EUR) (cumulative YTD)	7.8	7.5	4.2	4.8	5.2	5.5
Prepay	2.4	2.4	1.3	1.5	1.5	1.5
Contract (1)	16.7	15.9	8.9	10.0	11.0	11.7
Mobile data traffic (TB) (cumulative YTD)	71,626	147,967	230,363	318,130	87,371	182,579
Fixed telephony ARPU (EUR) (cumulative YTD)	8.5	8.4	4.8	5.6	6.7	7.4
Pay TV ARPU (EUR) (cumulative YTD)	-	-	-	-	10.9	12.8
Broadband ARPU (EUR) (cumulative YTD)	18.1	17.1	9.4	11.1	13.5	14.6
Fixed data traffic (TB) (cumulative YTD) (2)	425,127	893,893	1,466,706	2,027,293	555,796	1,086,029

Notes:

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

- Data traffic is defined as Terabytes used by the company's 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.

(2) Includes solely traffic related with FBB accesses, not Business customers.

TELEFÓNICA CHILE
 SELECTED FINANCIAL DATA
 Unaudited figures (Euros in millions)

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	526	525	505	524	2,080	498	487
Mobile Business	308	305	296	306	1,215	290	273
Mobile service revenues	230	231	223	221	905	212	206
Data revenues	119	119	118	115	471	116	111
Handset revenues	79	74	73	85	311	79	67
Fixed Business	217	220	209	218	864	208	214
FBB and new services revenues (1)	110	112	111	119	451	113	120
Pay TV revenues	58	59	54	53	225	52	53
Voice & access revenues	50	49	44	46	188	43	41
OIBDA	153	158	156	150	617	169	170
OIBDA margin	29.2 %	30.1 %	30.9 %	28.5 %	29.7 %	33.8 %	34.8 %
CapEx	76	91	63	110	341	88	94
Spectrum	-	-	-	-	-	-	-
OpCF (OIBDA-CapEx)	77	67	93	39	276	80	76

Notes:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.
- OIBDA is presented before management and brand fees.
- (1) Includes broadband connectivity services (retail and wholesale), including value-added services, data and ICT revenues, other services over connectivity and FBB equipment.

TELEFÓNICA CHILE

ACCESSES

Unaudited figures (Thousands)

	2018				2019	
	March	June	September	December	March	June
Final Clients Accesses	12,061.9	11,887.5	11,836.3	11,591.5	11,133.4	10,847.1
Fixed telephony accesses (1)	1,289.1	1,273.5	1,251.9	1,222.4	1,176.4	1,143.9
Internet and data accesses	1,141.9	1,151.0	1,156.1	1,150.2	1,133.8	1,117.4
Broadband	1,089.2	1,097.8	1,102.0	1,095.8	1,078.9	1,062.0
FTTx	379.0	421.5	475.1	522.9	556.0	587.1
Mobile accesses	8,957.4	8,783.8	8,758.8	8,567.5	8,201.1	7,991.7
Prepay	5,658.8	5,391.6	5,245.6	4,957.7	4,545.1	4,318.5
Contract	3,298.5	3,392.2	3,513.2	3,609.8	3,656.0	3,673.3
M2M	422.1	426.8	440.8	441.0	463.7	487.2
Pay TV	673.6	679.2	669.5	651.3	622.0	594.1
Total Accesses	12,067.0	11,892.6	11,841.7	11,597.0	11,139.0	10,853.3

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019	
	March	June	September	December	March	June
Contract percentage (%)	36.8 %	38.6 %	40.1 %	42.1 %	44.6 %	46.0 %
Smartphones ('000)	3,344.5	3,411.8	3,437.9	3,531.6	3,490.5	3,438.6
Smartphone penetration (%)	40.5 %	42.2 %	42.7 %	44.9 %	46.6 %	47.3 %
LTE ('000)	2,700.0	2,823.9	3,035.2	3,207.0	3,237.8	3,213.4
LTE penetration (%)	31.6 %	33.8 %	36.5 %	39.5 %	41.8 %	42.8 %
Mobile churn (quarterly)	3.4 %	3.5 %	2.9 %	3.9 %	4.2 %	3.8 %
Contract (1)	2.2 %	2.3 %	2.3 %	2.8 %	2.8 %	3.1 %
Mobile churn (cumulative YTD)	3.4 %	3.5 %	3.3 %	3.4 %	4.2 %	4.0 %
Contract (1)	2.2 %	2.3 %	2.3 %	2.5 %	2.8 %	2.9 %
Mobile ARPU (EUR) (cumulative YTD)	8.5	7.9	7.9	7.9	7.8	7.7
Prepay	2.3	2.2	2.2	2.1	1.8	1.6
Contract (1)	22.1	20.0	19.6	19.3	17.7	17.4
Mobile data traffic (TB) (cumulative YTD)	74,641	162,246	260,842	365,241	107,858	210,900
Fixed telephony ARPU (EUR) (cumulative YTD)	11.8	11.7	11.4	11.4	10.9	10.9
Pay TV ARPU (EUR) (cumulative YTD)	22.8	23.1	22.5	22.2	22.2	23.0
Broadband ARPU (EUR) (cumulative YTD)	17.1	17.1	16.7	16.5	16.6	16.8
Fixed data traffic (TB) (cumulative YTD) (2)	524,361	1,133,870	1,794,715	2,480,494	752,143	1,532,548

Notes:

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

- Data traffic is defined as Terabytes used by the company's 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.

(2) Includes solely traffic related with FBB accesses, not Business customers.

TELEFÓNICA PERÚ
 SELECTED FINANCIAL DATA
 Unaudited figures (Euros in millions)

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	501	518	527	528	2,075	518	535
Mobile Business	257	265	264	252	1,038	260	260
Mobile service revenues	192	189	187	180	748	179	178
Data revenues	122	130	125	113	490	110	118
Handset revenues	65	76	76	73	290	81	82
Fixed Business	244	253	264	276	1,037	258	274
FBB and new services revenues (1)	120	125	132	149	526	134	143
Pay TV revenues	74	76	78	77	306	79	81
Voice & access revenues	49	52	54	50	205	46	50
OIBDA	98	111	80	60	350	107	125
OIBDA margin	19.6 %	21.5 %	15.2 %	11.3 %	16.9 %	20.7 %	23.4 %
CapEx	48	74	71	150	342	61	65
Spectrum	-	-	-	-	-	-	-
OpCF (OIBDA-CapEx)	51	37	10	(90)	8	46	60

Note:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

- OIBDA is presented before management and brand fees.

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

TELEFÓNICA PERÚ

ACCESSES

Unaudited figures (Thousands)

	2018				2019	
	March	June	September	December	March	June
Fixed telephony accesses (1)	2,498.6	2,502.6	2,527.5	2,545.4	2,594.6	2,553.2
Fixed wireless	84.6	84.7	85.2	85.4	85.4	85.4
Internet and data accesses	1,821.0	1,883.8	1,939.5	1,973.3	2,045.8	2,084.6
Broadband	1,789.7	1,852.0	1,907.4	1,941.5	2,010.9	2,049.9
FTTx/cable	1,155.5	1,314.6	1,393.8	1,499.2	1,618.7	1,709.4
Mobile accesses	13,816.4	13,915.5	13,474.9	13,664.8	13,308.9	12,966.2
Prepay	9,093.0	9,038.0	8,597.2	8,744.0	8,594.4	8,241.7
Contract (2)	4,723.5	4,877.5	4,877.7	4,920.8	4,714.5	4,724.6
M2M	112.4	187.1	199.5	217.7	217.3	211.2
Pay TV	1,411.0	1,477.1	1,502.6	1,528.1	1,563.7	1,581.8
Total Accesses	19,547.1	19,779.1	19,444.4	19,711.7	19,513.0	19,185.8

(1) Includes fixed wireless and VoIP accesses.

(2) Includes the disconnection of 273 thousand inactive contract accesses in the first quarter 2019.

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019	
	March	June	September	December	March	June
Contract percentage (%)	34.2 %	35.1 %	36.2 %	36.0 %	35.4 %	36.4 %
Smartphones ('000)	8,230.3	8,231.3	7,803.0	7,873.5	7,858.5	7,456.2
Smartphone penetration (%)	60.4 %	60.3 %	59.1 %	58.9 %	60.4 %	58.8 %
LTE ('000)	3,725.1	3,586.3	4,217.9	4,391.3	4,437.6	4,556.7
LTE penetration (%)	27.2 %	26.1 %	31.9 %	32.7 %	33.9 %	35.7 %
Mobile churn (quarterly)	5.8 %	6.2 %	7.1 %	6.8 %	6.8 %	7.6 %
Contract (1)(2)	3.0 %	3.2 %	3.5 %	3.3 %	3.0 %	3.2 %
Mobile churn (cumulative YTD)	5.8 %	6.2 %	6.5 %	6.6 %	6.8 %	7.2 %
Contract (1)(2)	3.0 %	3.2 %	3.3 %	3.3 %	3.0 %	3.1 %
Mobile ARPU (EUR) (cumulative YTD)	5.2	4.4	4.4	4.4	4.2	4.3
Prepay	1.8	1.7	1.7	1.8	1.7	1.6
Contract (1)(2)	12.0	9.6	9.5	9.5	9.1	9.3
Mobile data traffic (TB) (cumulative YTD)	62,196	133,741	224,923	326,110	114,944	238,332
Fixed telephony ARPU (EUR) (cumulative YTD)	5.8	5.8	5.8	5.8	5.0	5.0
Pay TV ARPU (EUR) (cumulative YTD)	17.5	17.6	17.5	17.4	16.9	17.1
Broadband ARPU (EUR) (cumulative YTD)	12.6	12.7	12.7	12.7	12.5	13.0
Fixed data traffic (TB) (cumulative YTD) (3)	752,346	1,559,607	2,463,278	3,499,664	1,263,115	2,696,039

Notes:

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

- Data traffic is defined as Terabytes used by the company's 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.

(2) Excludes the disconnection of 273 thousand inactive contract accesses in the first quarter 2019.

(3) Includes solely traffic related with FBB accesses, not Business customers.

TELEFÓNICA HISPAM NORTE
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2018					2019	
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	971	1,027	1,041	1,037	4,075	971	1,014
Mobile Business	799	843	848	854	3,343	790	828
Mobile service revenues	673	691	709	672	2,744	645	673
Data revenues	399	376	393	396	1,564	390	407
Handset revenues	126	152	139	182	599	145	154
Fixed Business	172	184	193	182	732	180	185
FBB and new services revenues (1)	92	98	109	109	408	106	113
Pay TV revenues	22	23	23	16	83	21	20
Voice & access revenues	59	63	61	58	240	53	53
Internal exp. capitalised in fixed assets	12	12	12	12	48	11	11
Operating expenses	(739)	(793)	(773)	(835)	(3,141)	(737)	(800)
Supplies	(307)	(342)	(333)	(367)	(1,349)	(308)	(318)
Personnel expenses	(88)	(88)	(86)	(89)	(352)	(84)	(90)
Other operating expenses	(344)	(363)	(354)	(379)	(1,440)	(344)	(391)
Other net income (expense)	6	12	6	7	30	7	14
Gain (loss) on sale of fixed assets	9	26	29	67	131	12	34
Impairment of goodwill and other assets (2)	-	(108)	-	(242)	(350)	-	(12)
Operating income before D&A (OIBDA)	258	176	314	45	793	263	261
OIBDA Margin	26.6 %	17.1 %	30.2 %	4.4 %	19.5 %	27.1 %	25.8 %
CapEx	53	111	133	371	668	78	106
Spectrum	-	-	-	135	135	18	1
OpCF (OIBDA-CapEx)	205	64	181	(326)	125	185	155

Notes:

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

TELEFÓNICA HISPAM NORTE
SELECTED FINANCIAL DATA
Unaudited figures (Euros in millions)

	2018					2019	
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	971	1,027	1,041	1,037	4,075	971	1,014
Telefónica Colombia	351	370	383	363	1,468	359	352
Telefónica Mexico	277	297	293	308	1,175	296	316
Telefónica Centroamérica	209	217	220	228	874	189	159
Telefónica Ecuador	126	138	142	135	542	126	126
Telefónica Venezuela	8	5	3	2	18	2	62
Other and eliminations	(0)	(0)	(0)	(0)	(2)	(0)	(1)
Service Revenues	845	875	902	854	3,476	826	859
Telefónica Colombia	319	334	353	328	1,334	324	315
Telefónica Mexico	221	228	231	209	889	222	234
Telefónica Centroamérica	191	197	201	204	794	172	143
Telefónica Ecuador	106	111	115	112	444	106	107
Telefónica Venezuela	8	4	3	2	18	2	61
Other and eliminations	(0)	(0)	0	(0)	(2)	(0)	(1)
OIBDA	258	176	314	45	793	263	261
Telefónica Colombia	124	128	157	148	556	131	131
Telefónica Mexico	41	55	40	13	150	22	24
Telefónica Centroamérica	57	64	69	94	283	72	59
Telefónica Ecuador	36	36	41	30	143	38	37
Telefónica Venezuela	1	(0)	0	2	3	1	10
Other and eliminations (2)	-	(108)	7	(242)	(343)	(1)	(1)
CapEx	53	111	133	371	668	78	106
Telefónica Colombia	23	44	52	74	192	37	43
Telefónica Mexico	13	33	43	208	296	12	35
Telefónica Centroamérica	11	20	23	57	112	24	10
Telefónica Ecuador	6	14	14	32	67	6	12
Telefónica Venezuela	1	1	0	1	2	-	5
Other and eliminations	-	-	-	-	-	-	(0)
Spectrum	-	-	-	135	135	18	1
Telefónica Colombia	-	-	-	-	-	-	-
Telefónica Mexico	-	-	-	135	135	-	-
Telefónica Centroamérica	-	-	-	-	-	18	0
Telefónica Ecuador	-	-	-	-	-	-	1
Telefónica Venezuela	-	-	-	-	-	-	-
Other and eliminations	-	-	-	-	-	-	0
OpCF (OIBDA-CapEx)	205	64	181	(326)	125	185	155
Telefónica Colombia	101	84	105	74	364	95	88
Telefónica Mexico	29	23	(3)	(195)	(146)	11	(11)
Telefónica Centroamérica	45	44	45	37	172	49	49
Telefónica Ecuador	30	22	27	(2)	77	32	25
Telefónica Venezuela	0	(1)	0	2	1	-	5
Other and eliminations (2)	-	(108)	7	(242)	(343)	(1)	(1)

Notes:

- T. Hispam Norte consolidated results deconsolidate T. Nicaragua since 1 May 2019 and Telefónica Guatemala's results since 1 January 2019.

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

- OIBDA before management and brand fees.

- After considering Venezuela as a hyperinflationary country, P&L and CapEx from the operations in the country are to be accounted at the closing exchange rate Bolívar Soberano/Euro. As of the closing of June 2019 Telefónica uses a synthetic exchange rate of 7,919.5 Venezuelan bolivars soberanos per dollar. For the January-June 2018 period the synthetic exchange used is based on the Bolívar Fuerte.

(2) Includes goodwill impairment in Mexico (€108m in April-June 2018 and €242m in October-December 2018).

TELEFÓNICA HISPAM NORTE
ACCESSES
Unaudited figures (thousands)

	2018				2019	
	March	June	September	December	March	June
Final Clients Accesses	72,590.0	73,145.9	72,902.0	73,555.6	69,657.0	64,377.9
Fixed telephony accesses (1)	3,478.3	3,484.8	3,301.0	3,169.8	2,832.4	2,663.0
Internet and data accesses	1,253.1	1,274.7	1,332.3	1,337.1	1,344.6	1,306.8
Broadband	1,223.2	1,244.0	1,301.4	1,305.6	1,317.1	1,279.2
FTTx	167.7	284.4	302.7	303.7	305.5	308.0
Mobile accesses	66,857.0	67,355.8	67,233.7	68,041.1	64,513.3	59,473.4
Prepay	57,061.5	57,360.4	57,226.8	58,010.4	54,623.4	49,787.1
Contract	9,795.4	9,995.4	10,006.9	10,030.7	9,889.9	9,686.3
M2M	1,785.1	1,882.0	1,914.3	1,922.8	1,927.5	1,903.6
Pay TV	1,001.6	1,030.6	1,034.9	1,007.6	966.8	934.8
Total Accesses	72,590.5	73,146.4	72,902.5	73,556.1	69,657.0	64,378.4

Notes:

- T. Nicaragua accesses are excluded from 1 May of 2019 and T. Guatemala from 1 January of 2019.

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA
Unaudited figures

	2018				2019	
	March	June	September	December	March	June
Contract percentage (%)	14.7 %	14.8 %	14.9 %	14.7 %	15.3 %	16.3 %
Smartphones ('000)	30,059.4	29,995.2	31,376.2	31,960.9	31,644.3	30,608.0
Smartphone penetration (%)	46.6 %	46.2 %	48.4 %	48.6 %	50.9 %	53.4 %
LTE ('000)	14,761.5	16,069.9	17,392.6	19,506.4	20,373.8	21,235.5
LTE penetration (%)	22.7 %	24.6 %	26.6 %	29.5 %	32.6 %	36.9 %

TELEFÓNICA COLOMBIA
 SELECTED FINANCIAL DATA
 Unaudited figures (Euros in millions)

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	351	370	383	363	1,468	359	352
Mobile Business	214	224	233	223	894	220	219
Mobile service revenues	182	188	202	187	759	185	183
Data revenues	107	115	118	112	451	111	119
Handset revenues	32	36	31	36	134	35	37
Fixed Business	137	146	151	141	574	138	131
FBB and new services revenues (1)	74	81	85	84	324	80	77
Pay TV revenues	21	22	22	14	79	20	18
Voice & access revenues	42	44	43	42	171	38	36
OIBDA	124	128	157	148	556	131	131
OIBDA margin	35.1 %	34.6 %	40.9 %	40.6 %	37.9 %	36.6 %	37.3 %
CapEx	23	44	52	74	192	37	43
Spectrum	-	-	-	-	-	-	-
OpCF (OIBDA-CapEx)	101	84	105	74	364	95	88

Note:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

- OIBDA is presented before management and brand fees.

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

TELEFÓNICA COLOMBIA

ACCESSES

Unaudited figures (Thousands)

	2018				2019	
	March	June	September	December	March	June
Final Clients Accesses	18,116.5	18,515.9	18,728.2	19,067.3	19,191.2	19,268.5
Fixed telephony accesses (1)	1,619.8	1,635.8	1,626.0	1,582.4	1,561.0	1,520.6
Internet and data accesses	1,233.9	1,245.8	1,247.7	1,220.4	1,205.7	1,185.6
Broadband	1,220.2	1,232.2	1,234.2	1,207.1	1,193.6	1,173.3
FTTx	167.7	284.4	302.7	303.7	305.5	308.0
Mobile accesses	14,716.1	15,070.6	15,290.6	15,716.3	15,884.3	16,029.1
Prepay	11,003.8	11,298.3	11,469.3	11,880.8	12,015.3	12,097.7
Contract	3,712.3	3,772.3	3,821.3	3,835.5	3,869.0	3,931.4
M2M	452.1	480.2	491.5	487.9	485.6	478.3
Pay TV	546.7	563.8	563.9	548.2	540.2	533.2
Total Accesses	18,117.0	18,516.4	18,728.7	19,067.8	19,191.2	19,269.0

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019	
	March	June	September	December	March	June
Contract percentage (%)	25.2 %	25.0 %	25.0 %	24.4 %	24.4 %	24.5 %
Smartphones ('000)	6,069.0	6,304.2	6,539.8	6,887.2	7,005.5	7,164.7
Smartphone penetration (%)	42.9 %	43.6 %	44.6 %	45.5 %	45.9 %	46.1 %
LTE ('000)	4,585.6	5,006.8	5,492.4	6,030.8	6,536.1	6,946.0
LTE penetration (%)	32.1 %	34.3 %	37.1 %	39.6 %	42.4 %	44.7 %
Mobile churn (quarterly)	3.4 %	3.2 %	3.3 %	3.0 %	3.2 %	3.0 %
Contract (1)	1.7 %	1.6 %	1.7 %	1.9 %	1.8 %	1.8 %
Mobile churn (cumulative YTD)	3.4 %	3.2 %	3.2 %	3.2 %	3.2 %	3.1 %
Contract (1)	1.7 %	1.6 %	1.6 %	1.7 %	1.8 %	1.8 %
Mobile ARPU (EUR) (cumulative YTD)	4.0	4.0	4.0	3.9	3.6	3.5
Prepay	1.1	1.1	1.1	1.0	0.9	0.9
Contract (1)	13.4	13.4	13.5	13.3	12.5	12.3
Mobile data traffic (TB) (cumulative YTD)	31,191	65,600	105,536	152,025	49,686	104,975
Fixed telephony ARPU (EUR) (cumulative YTD)	8.0	8.1	8.2	8.1	7.7	7.5
Pay TV ARPU (EUR) (cumulative YTD)	12.5	12.6	12.8	11.7	11.9	11.4
Broadband ARPU (EUR) (cumulative YTD)	10.6	10.9	11.1	11.2	11.1	11.2
Fixed data traffic (TB) (cumulative YTD) (2)	295,782	619,750	964,597	1,338,012	451,809	907,557

Notes:

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

- Data traffic is defined as Terabytes used by the company's 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.

(2) Includes solely traffic related with FBB accesses, not Business customers.

TELEFÓNICA MÉXICO
 SELECTED FINANCIAL DATA
Unaudited figures (Euros in millions)

	2018				2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun
Revenues	277	297	293	308	1,175	296	316
Service revenues	221	228	231	209	889	222	234
Data revenues	133	95	123	107	459	127	132
Handset revenues	56	69	62	99	286	73	81
OIBDA	41	55	40	13	150	22	24
<i>OIBDA margin</i>	<i>15.0 %</i>	<i>18.6 %</i>	<i>13.7 %</i>	<i>4.2 %</i>	<i>12.8 %</i>	<i>7.5 %</i>	<i>7.7 %</i>
CapEx	13	33	43	208	296	12	35
Spectrum	-	-	-	135	135	-	-
OpCF (OIBDA-CapEx)	29	23	(3)	(195)	(146)	11	(11)

Note:

- *January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.*
- *OIBDA is presented before management and brand fees.*

TELEFÓNICA MÉXICO

ACCESSES

Unaudited figures (Thousands)

	2018				2019	
	March	June	September	December	March	June
Mobile accesses	25,269.3	25,499.9	25,525.0	26,309.9	25,502.3	24,567.3
Prepay	22,977.1	23,124.3	23,193.1	23,947.0	23,136.6	22,169.1
Contract	2,292.2	2,375.6	2,331.9	2,362.9	2,365.7	2,398.2
M2M	932.7	982.8	1,002.1	1,012.1	1,020.0	1,020.9
Fixed wireless	750.6	768.6	706.9	703.1	635.1	572.0
Total Accesses	26,019.9	26,268.5	26,231.9	27,013.0	26,137.4	25,139.3

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019	
	March	June	September	December	March	June
Contract percentage (%)	9.1 %	9.3 %	9.1 %	9.0 %	9.3 %	9.8 %
Smartphones ('000)	11,339.0	11,020.6	11,464.6	11,351.1	11,494.7	12,066.1
Smartphone penetration (%)	46.7 %	45.0 %	46.8 %	44.9 %	47.0 %	51.3 %
LTE ('000)	5,427.6	5,591.8	5,828.7	6,589.6	6,996.1	7,520.5
LTE penetration (%)	22.3 %	22.8 %	23.8 %	26.0 %	28.6 %	31.9 %
Mobile churn (quarterly)	3.7 %	3.6 %	3.8 %	3.2 %	4.7 %	5.2 %
Contract (1)	3.1 %	4.1 %	4.6 %	4.0 %	3.3 %	3.2 %
Mobile churn (cumulative YTD)	3.7 %	3.6 %	3.7 %	3.6 %	4.7 %	5.0 %
Contract (1)	3.1 %	3.6 %	3.9 %	4.0 %	3.3 %	3.2 %
Mobile ARPU (EUR) (cumulative YTD)	2.4	2.4	2.4	2.3	2.3	2.4
Prepay	1.9	2.0	2.0	1.9	1.9	2.0
Contract (1)	11.4	10.4	10.5	9.5	10.9	10.8
Mobile data traffic (TB) (cumulative YTD)	46,704	101,195	170,382	261,553	105,005	226,080

Notes:

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

- Data traffic is defined as Terabytes used by the company's 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.

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES

Information included in compliance with the ESMA Guidelines, 5 October 2015, on Alternative Performance Measures (APM), applicable to published regulated information from 3 July 2016.

The following APM and their reconciliation to the most directly reconcilable line item, subtotal or total presented in the financial statements of the corresponding period are included:

- OIBDA
- Net financial debt, Net financial debt plus leases and Net financial debt plus commitments
- Leverage ratio
- Free Cash Flow
- Organic results
- Underlying results

TELEFÓNICA

RECONCILIATION OF OIBDA

Unaudited figures (Euros in millions)

	2018				2019	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun
Operating income before D&A (OIBDA)	3,864	8,102	12,035	15,571	4,264	8,702
Depreciation and amortisation	(2,227)	(4,405)	(6,581)	(9,049)	(2,614)	(5,248)
Operating income (OI)	1,638	3,697	5,454	6,522	1,650	3,454

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro. Consolidated reported results for July-September 2018 have been calculated taking as a reference first half 2018 results adjusted by inflation in Argentina. For comparative purposes only, hyperinflation adjustment would have been -€13m in OIBDA and -€71m in OI for the Jan-Mar 2018 period and -€105m in OIBDA and -€169m in OI for the Jan-Jun 2018 period.

TELEFÓNICA
NET FINANCIAL DEBT PLUS COMMITMENTS
Unaudited figures (Euros in millions)

	December 2018	June 2019
Non-current financial liabilities	45,334	46,508
Current financial liabilities	9,368	10,077
Gross Financial Debt	54,702	56,585
Cash and cash equivalents	(5,692)	(7,588)
Other assets included in "Other current financial assets"	(2,209)	(3,183)
Cash and other current financial assets included in "Non-current assets held for sale"	(165)	(23)
Positive mark-to-market value of long-term derivative instruments	(2,776)	(3,479)
Other liabilities included in "Payables and other non-current liabilities"	800	795
Other liabilities included in "Payables and other current liabilities"	111	100
Other assets included in "Financial assets and other non-current assets"	(1,593)	(922)
Other assets included in "Receivables and other current assets"	(867)	(751)
Other assets included in "Tax receivables"	(568)	(687)
Financial liabilities included in "Liabilities associated with non-current assets held for sale"	42	107
Finance Leases under IAS 17 (1)	(202)	n.a
Mark-to-market adjustment by cash flow hedging activities related to debt (1)	(510)	(724)
Net Financial Debt* (1)	41,074	40,230
Lease Liabilities	n.a.	7,542
Net Financial Debt including Lease liabilities	n.a.	47,772
Gross commitments related to employee benefits	5,940	5,152
Value of associated Long-term assets	(704)	(125)
Tax benefits	(1,390)	(1,339)
Net commitments related to employee benefits	3,846	3,688
Net financial debt plus commitments*	44,920	43,918
Net Financial Debt / OIBDA (2)	2.62x	2.62x

Notes:

(*) Includes assets and liabilities defined as net financial debt plus commitments for El Salvador, Panama and Costa Rica, that are classified as non-current assets held for sale and liabilities associated with non-current assets held for sale.

Net financial debt includes a positive value of the derivatives portfolio for a net amount of €1,663m, €3,249m included as financial liabilities and €4,912m included as financial assets

(1) Net financial debt calculation has been redefined in the first quarter of 2019 excluding the mark to market adjustment of the unmatured cash flow hedges associated to debt instruments. This change seeks to eliminate the asymmetry generated by the accounting valuation method of both financial instruments; the debt instrument valued at amortized cost and the derivative at market value. The change has been applied to all comparative periods. Also, following the entry into force of IFRS 16 since 1 January 2019, for comparison purposes, the net financial debt figure of December 2018 has been modified to exclude the lease liability of finance leases.

(2) For leverage ratio calculation purposes only (Net financial Debt / OIBDA), OIBDA is also adjusted in 2018 to reflect finance leases under IAS 17.

TELEFÓNICA
RECONCILIATION OF LEVERAGE RATIO
Unaudited figures (Euros in millions)

		2018				2019	
		March	June	September	December	March	June
A	Net Financial Debt (1)	42,837	42,651	41,658	41,074	40,381	40,230
B	OIBDA from last 12 months	16,030	16,110	15,948	15,571	15,971	16,171
C	OIBDA Adjustments (2)	325	56	(152)	135	(486)	(838)
	OIBDA from Cos. incorporated (removed)	8	4	-	-	(46)	(103)
	Goodwill Impairment	-	108	108	350	350	242
	Restructuring charges	270	291	303	461	466	440
	Distribution channel optimization	13	13	13	-	23	23
	Capital gains/losses on sale of companies	-	-	(21)	(18)	(104)	(291)
	Tariff increases in Venezuela	(2)	(2)	(2)	-	-	-
	Contingencies	107	213	323	215	215	109
	Venezuela Synthetic FX	15	-	-	-	-	-
	Judicial decision PIS/COFINS	0	(485)	(792)	(789)	(789)	(304)
	IFRS 16 Impact	-	-	-	-	(414)	(768)
	Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)
	Finance Lease adjustment (2)	(86)	(85)	(85)	(84)	(84)	(84)
D= B+C	OIBDA Adjusted	16,355	16,166	15,796	15,706	15,485	15,333
E= A/D	Net Financial Debt / OIBDA (2)	2.62x	2.64x	2.64x	2.62x	2.61x	2.62x

Notes:

(1) Net financial debt calculation has been redefined in the first quarter of 2019 excluding the mark to market adjustment of the unmatured cash flow hedges associated to debt instruments. This change seeks to eliminate the asymmetry generated by the accounting valuation method of both financial instruments; the debt instrument valued at amortized cost and the derivative at market value. The change has been applied to all comparative periods. Also, following the entry into force of IFRS 16 since 1 January 2019, for comparison purposes, the net financial debt figure of December 2018 has been modified to exclude the lease liability of finance leases.

(2) For leverage ratio calculation purposes only (Net financial Debt / OIBDA), OIBDA is also adjusted in 2018 to reflect finance leases under IAS 17.

TELEFÓNICA
 RECONCILIATION OF FREE CASH FLOW
Unaudited figures (Euros in millions)

	2018				2019	
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun
Net cash flow provided by operating activities	2,621	6,101	9,210	13,423	3,659	7,294
(Payments on investments)/proceeds from the sale in property, plant and equipment and intangible assets, net (1)	(2,104)	(4,582)	(6,345)	(8,585)	(1,990)	(3,834)
Government grants received	-	37	37	37	-	-
Dividends paid to minority shareholders	(168)	(406)	(527)	(746)	-	(292)
Payments related to cancellation of commitments	201	398	581	775	239	419
Free Cash Flow excluding Lease Principal Payments (2)	n.a.	n.a.	n.a.	n.a.	1,908	3,587
Lease Principal Payments (2)	n.a.	n.a.	n.a.	n.a.	(500)	(831)
FCF Including Lease Principal Payments	550	1,548	2,957	4,904	1,408	2,756

(1) Includes net cash received from the sale of Real Estate.

(2) Considered since 1 January 2019. No data available in 2018.

TELEFÓNICA

RECONCILIATION OF REPORTED VS. ORGANIC GROWTH

Unaudited figures (Euros in millions)

REVENUES	2018				2019		%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Jun
T. ESPAÑA							
REPORTED DATA	3,098	6,265	9,453	12,706	3,108	6,283	0.3
Changes in the consolidation perimeter	(0)	(0)	(1)	(1)	-	-	
T. ESPAÑA ORGANIC	3,098	6,265	9,452	12,705	3,108	6,283	0.3
T. DEUTSCHLAND							
REPORTED DATA	1,767	3,525	5,355	7,320	1,779	3,564	1.1
T. DEUTSCHLAND ORGANIC	1,767	3,525	5,355	7,320	1,779	3,564	1.1
T. UK							
REPORTED DATA	1,586	3,223	4,945	6,790	1,691	3,411	5.8
Forex impact	-	-	-	-	(20)	(25)	
T. UK ORGANIC	1,586	3,223	4,945	6,790	1,670	3,386	5.1
T. BRASIL							
REPORTED DATA	2,705	5,227	7,572	10,126	2,563	5,030	(3.8)
Forex impact	-	-	-	-	189	254	
T. BRASIL ORGANIC	2,705	5,227	7,572	10,126	2,752	5,283	1.1
T. HISPAM SUR							
REPORTED DATA	1,833	3,631	4,689	6,677	1,612	3,355	(7.6)
Forex impact	-	-	-	-	465	925	
Hyper-inflation adjustment in Argentina	-	-	621	315	35	(52)	
T. HISPAM SUR ORGANIC	1,833	3,631	5,309	6,992	2,112	4,227	16.4
T. HISPAM NORTE							
REPORTED DATA	971	1,998	3,038	4,075	971	1,985	(0.6)
Changes in the consolidation perimeter	(40)	(115)	(201)	(285)	-	-	
Growth of T. Venezuela	-	-	-	-	-	(51)	
Forex impact	-	-	-	-	(28)	(37)	
T. HISPAM NORTE ORGANIC	932	1,883	2,838	3,790	943	1,897	0.7
TELEFÓNICA							
REPORTED DATA	12,190	24,334	35,776	48,693	11,979	24,121	(0.9)
Changes in the consolidation perimeter	(43)	(123)	(215)	(307)	-	-	
Growth of T. Venezuela	-	-	-	-	-	(48)	
Forex impact	-	-	-	-	597	1,099	
Hyper-inflation adjustment in Argentina	-	-	618	313	34	(52)	
TELEFÓNICA ORGANIC	12,147	24,211	36,179	48,699	12,611	25,120	3.8

OIBDA	2018				2019		%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Jun
T. ESPAÑA							
REPORTED DATA	1,224	2,507	3,797	4,763	1,350	2,672	6.6
Restructuring charges	-	-	-	297	-	-	
Changes in the consolidation perimeter	(0)	0	1	1	-	-	
Capital gains/losses on sale of companies	-	-	-	3	-	-	
IFRS 16 impact	-	-	-	-	(64)	(123)	
Distribution channel optimization	-	-	-	-	23	23	
Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)	
T. ESPAÑA ORGANIC	1,223	2,507	3,798	5,064	1,206	2,469	(1.5)
T. DEUTSCHLAND							
REPORTED DATA	403	882	1,352	1,834	522	1,101	24.8
Restructuring charges	14	32	46	84	23	40	
IFRS 16 impact	-	-	-	-	(129)	(236)	
T. DEUTSCHLAND ORGANIC	417	914	1,398	1,919	416	904	(1.1)
T. UK							
REPORTED DATA	430	879	1,343	1,865	504	1,052	19.6
Restructuring charges	0	0	0	0	-	-	
IFRS 16 impact	-	-	-	-	(55)	(110)	
Forex impact	-	-	-	-	(5)	(7)	
T. UK ORGANIC	430	879	1,343	1,865	444	935	6.4
T. BRASIL							
REPORTED DATA	982	2,257	3,332	4,311	1,050	2,050	(9.1)
Restructuring charges	-	28	27	46	-	-	
IFRS 16 impact	-	-	-	-	(107)	(214)	
Contingencies	-	106	216	215	-	-	
Judicial decision PIS/COFINS	-	(485)	(792)	(789)	-	-	
Forex impact	-	-	-	-	69	93	
T. BRASIL ORGANIC	982	1,906	2,783	3,783	1,012	1,929	1.2
T. HISPAM SUR							
REPORTED DATA	517	1,024	1,236	1,719	441	936	(8.6)
Restructuring charges	0	1	24	50	0	4	
IFRS 16 impact	-	-	-	-	(40)	(58)	
Capital gains/losses on sale of companies	-	-	-	-	-	(1)	
Forex impact	-	-	-	-	130	262	
Hyper-inflation adjustment in Argentina	-	-	211	140	21	13	
T. HISPAM SUR ORGANIC	517	1,025	1,472	1,909	553	1,155	12.7
T. HISPAM NORTE							
REPORTED DATA	258	434	748	793	263	525	20.8
Restructuring charges	2	2	2	16	-	2	
Changes in the consolidation perimeter	(7)	(32)	(58)	(96)	-	-	
IFRS 16 impact	-	-	-	-	(45)	(79)	
Impairments	-	108	108	350	-	-	
Growth of T. Venezuela	-	-	-	-	-	(8)	
Forex impact	-	-	-	-	(3)	2	
T. HISPAM NORTE ORGANIC	253	512	800	1,064	215	441	(13.9)
TELEFÓNICA							
REPORTED DATA	3,864	8,102	12,035	15,571	4,264	8,702	7.4
Restructuring charges	17	63	96	457	25	47	
Changes in the consolidation perimeter	(10)	(36)	(71)	(110)	-	-	
Capital gains/losses on sale of companies	-	-	(21)	(18)	(86)	(273)	
IFRS 16 impact	-	-	-	-	(414)	(768)	
Contingencies	-	106	216	215	-	-	
Judicial decision PIS/COFINS	-	(485)	(792)	(789)	-	-	
Impairments	-	108	108	350	-	-	
Distribution channel optimization	-	-	-	-	23	23	
Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)	
Growth of T. Venezuela	-	-	-	-	-	(8)	
Forex impact	-	-	-	-	180	332	
Hyper-inflation adjustment in Argentina	-	-	229	148	22	8	
TELEFÓNICA ORGANIC	3,870	7,857	11,800	15,826	3,911	7,959	1.3

OPERATING INCOME	2018				2019		%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	
TELEFÓNICA							
REPORTED DATA	1,638	3,697	5,454	6,522	1,650	3,454	(6.6)
Restructuring charges	17	63	96	457	25	47	
Changes in the consolidation perimeter	(2)	(16)	(36)	(59)	-	-	
Capital gains/losses on sale of companies	-	-	(21)	(18)	(86)	(273)	
IFRS 16 impact	-	-	-	-	(29)	15	
Contingencies	-	106	216	215	-	-	
Judicial decision PIS/COFINS	-	(485)	(792)	(789)	-	-	
Impairments	-	108	108	350	-	-	
D&A Assets Held for Sale	-	-	-	-	(17)	(42)	
Distribution channel optimization	-	-	-	-	23	23	
Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)	
Growth of T. Venezuela	-	-	-	-	-	(37)	
Forex impact	-	-	-	-	121	230	
Hyper-inflation adjustment in Argentina	-	-	281	308	68	122	
TELEFÓNICA ORGANIC	1,652	3,473	5,306	6,987	1,651	3,435	(1.1)
CAPEX							
T. ESPAÑA							
REPORTED DATA	346	778	1,157	1,719	377	813	4.5
Changes in the consolidation perimeter	-	(0)	(0)	(0)	-	-	
Spectrum acquisition	-	-	(7)	(122)	-	-	
IFRS 16 impact	-	-	-	-	1	1	
T. ESPAÑA ORGANIC	346	777	1,149	1,597	378	813	4.6
T. DEUTSCHLAND							
REPORTED DATA	197	424	740	966	252	496	16.9
T. DEUTSCHLAND ORGANIC	197	424	740	966	252	496	16.9
T. UK							
REPORTED DATA	183	987	1,202	1,464	185	409	(58.5)
Spectrum acquisition	-	(588)	(588)	(588)	-	-	
Forex impact	-	-	-	-	(2)	(3)	
T. UK ORGANIC	183	399	613	876	183	407	2.0
T. BRASIL							
REPORTED DATA	388	892	1,422	1,910	396	934	4.7
Spectrum acquisition	-	-	-	(2)	-	-	
Forex impact	-	-	-	-	29	47	
T. BRASIL ORGANIC	388	892	1,422	1,909	425	981	10.0
T. HISPAM SUR							
REPORTED DATA	251	553	685	1,116	243	493	(10.9)
Spectrum acquisition	(7)	(6)	(25)	(23)	-	(6)	
Forex impact	-	-	-	-	78	140	
Hyper-inflation adjustment in Argentina	-	-	122	69	6	(3)	
T. HISPAM SUR ORGANIC	244	547	782	1,163	327	624	14.2
T. HISPAM NORTE							
REPORTED DATA	53	165	297	668	78	184	11.9
Changes in the consolidation perimeter	(2)	(9)	(17)	(43)	-	-	
Spectrum acquisition	-	(0)	(0)	(135)	(17)	(17)	
Growth of T. Venezuela	-	-	-	-	-	(4)	
Forex impact	-	-	-	-	(2)	(3)	
T. HISPAM NORTE ORGANIC	51	155	280	491	59	160	3.2
TELEFÓNICA							
REPORTED DATA	1,490	3,932	5,680	8,119	1,554	3,385	(13.9)
Changes in the consolidation perimeter	(2)	(9)	(18)	(43)	-	-	
Spectrum acquisition	(7)	(595)	(621)	(870)	(17)	(23)	
IFRS 16 impact	-	-	-	-	1	1	
Growth of T. Venezuela	-	-	-	-	-	(4)	
Forex impact	-	-	-	-	103	181	
Hyper-inflation adjustment in Argentina	-	-	123	70	6	(3)	
TELEFÓNICA ORGANIC	1,481	3,327	5,165	7,275	1,647	3,537	6.3

OpCF (OIBDA-CapEx)	2018				2019		%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	
T. ESPAÑA							
REPORTED DATA	878	1,729	2,641	3,044	973	1,859	7.5
Restructuring charges	-	-	-	297	-	-	
Changes in the consolidation perimeter	(0)	0	1	1	-	-	
Capital gains/losses on sale of companies	-	-	-	3	-	-	
Spectrum acquisition	-	-	7	122	-	-	
IFRS 16 impact	-	-	-	-	(64)	(123)	
Distribution channel optimization	-	-	-	-	23	23	
Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)	
T. ESPAÑA ORGANIC	877	1,729	2,649	3,467	828	1,656	(4.3)
T. DEUTSCHLAND							
REPORTED DATA	207	458	612	868	270	605	32.2
Restructuring charges	14	32	46	84	23	40	
IFRS 16 impact	-	-	-	-	(129)	(236)	
T. DEUTSCHLAND ORGANIC	221	490	658	952	164	408	(16.6)
T. UK							
REPORTED DATA	247	(107)	141	400	319	642	c.s.
Restructuring charges	0	0	0	0	-	-	
Spectrum acquisition	-	588	588	588	-	-	
IFRS 16 impact	-	-	-	-	(55)	(110)	
Forex impact	-	-	-	-	(2)	(4)	
T. UK ORGANIC	247	481	730	988	261	529	10.0
T. BRASIL							
REPORTED DATA	594	1,365	1,910	2,401	654	1,117	(18.2)
Restructuring charges	-	28	27	46	-	-	
Spectrum acquisition	-	-	-	2	-	-	
IFRS 16 impact	-	-	-	-	(107)	(214)	
Contingencies	-	106	216	215	-	-	
Judicial decision PIS/COFINS	-	(485)	(792)	(789)	-	-	
Forex impact	-	-	-	-	40	46	
T. BRASIL ORGANIC	594	1,014	1,361	1,875	587	948	(6.6)
T. HISPAM SUR							
REPORTED DATA	266	471	551	603	199	443	(6.0)
Restructuring charges	0	1	24	50	0	4	
Spectrum acquisition	7	6	25	23	-	6	
IFRS 16 impact	-	-	-	-	(40)	(58)	
Capital gains/losses on sale of companies	-	-	-	-	-	(1)	
Forex impact	-	-	-	-	52	122	
Hyper-inflation adjustment in Argentina	-	-	89	70	15	15	
T. HISPAM SUR ORGANIC	273	478	690	746	226	531	11.0
T. HISPAM NORTE							
REPORTED DATA	205	269	451	125	185	340	26.3
Restructuring charges	2	2	2	16	-	2	
Changes in the consolidation perimeter	(5)	(23)	(41)	(53)	-	-	
Spectrum acquisition	-	0	0	135	17	17	
IFRS 16 impact	-	-	-	-	(45)	(79)	
Impairments	-	108	108	350	-	-	
Growth of T. Venezuela	-	-	-	-	-	(4)	
Forex impact	-	-	-	-	(1)	5	
T. HISPAM NORTE ORGANIC	202	357	521	574	156	281	(21.4)
TELEFÓNICA							
REPORTED DATA	2,374	4,170	6,354	7,453	2,710	5,317	27.5
Restructuring charges	17	63	96	457	25	47	
Changes in the consolidation perimeter	(8)	(27)	(53)	(67)	-	-	
Capital gains/losses on sale of companies	-	-	(21)	(18)	(86)	(273)	
Spectrum acquisition	7	595	621	870	17	23	
IFRS 16 impact	-	-	-	-	(414)	(769)	
Contingencies	-	106	216	215	-	-	
Judicial decision PIS/COFINS	-	(485)	(792)	(789)	-	-	
Impairments	-	108	108	350	-	-	
Distribution channel optimization	-	-	-	-	23	23	
Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)	
Growth of T. Venezuela	-	-	-	-	-	(4)	
Forex impact	-	-	-	-	78	151	
Hyper-inflation adjustment in Argentina	-	-	106	79	16	11	
TELEFÓNICA ORGANIC	2,389	4,529	6,635	8,550	2,264	4,423	(2.4)

Note:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

-Organic growth: Assumes average constant foreign exchange rates of 2018, except for Venezuela (2018 and 2019 results converted at the closing synthetic exchange rate for each period) and excludes the hyperinflation adjustment in Argentina. Considers constant perimeter of consolidation. Excludes the effects of the accounting change to IFRS 16, write-downs, capital gains/losses from the sale of companies, restructuring costs and material non-recurring impacts. CapEx excludes spectrum investments.

TELEFÓNICA
RECONCILIATION OF REPORTED VS. UNDERLYING GROWTH
Unaudited figures (Euros in millions)

OIBDA	2018				2019		%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	
TELEFÓNICA							
REPORTED DATA	3,864	8,102	12,035	15,571	4,264	8,702	7.4
Restructuring charges	18	64	98	461	25	46	
Distribution channel optimization	-	-	-	-	23	23	
Capital gains/losses on sale of companies	-	-	(21)	(18)	(86)	(273)	
Contingencies	-	106	216	215	-	-	
IFRS 16 impact	-	-	-	-	(414)	(768)	
Judicial decision PIS/COFINS	-	(485)	(792)	(789)	-	-	
Impairments	-	108	108	350	-	-	
Hyper-inflation adjustment in Argentina	-	-	229	148	22	8	
Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)	
Growth of T. Venezuela	-	-	-	-	-	(8)	
TELEFÓNICA UNDERLYING	3,882	7,895	11,872	15,939	3,730	7,626	(3.4)

NET INCOME	2018				2019		%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	
TELEFÓNICA							
REPORTED DATA	837	1,739	2,721	3,331	926	1,787	2.8
PPA	113	219	320	423	100	193	
Restructuring charges	11	47	61	322	17	32	
Distribution channel optimization	-	-	-	-	17	17	
Capital gains/losses on sale of companies	-	-	(21)	(18)	(88)	(151)	
Contingencies	-	74	158	157	-	-	
IFRS 16 impact	-	-	-	-	17	87	
Judicial decision PIS/COFINS	-	(452)	(710)	(707)	-	-	
Impairments	-	108	108	350	-	-	
Tax asset reversal	-	294	299	327	-	-	
Hyper-inflation adjustment in Argentina	-	-	260	305	60	161	
Capital gains from the assignment of future rights	-	-	-	-	(77)	(77)	
Growth of T. Venezuela	-	-	-	-	-	(37)	
Tax liability recognition	-	-	-	-	-	152	
Interests on tax refund	-	-	-	-	-	(151)	
TELEFÓNICA UNDERLYING	961	2,029	3,195	4,491	971	2,013	(0.8)

Notes:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.
- Underlying growth: Excludes the effects of the accounting change to IFRS 16, hyperinflation adjustment, write-downs, capital gains/losses from the sale of companies, restructuring costs and material non-recurring impacts as well as amortisation charges from purchase price allocation processes. 2018 base adjusted to follow the same criteria.

TELEFÓNICA
 SELECTED FINANCIAL DATA
 Unaudited figures (Euros in millions)

	2019		2019 (IAS 17) (*)	
	Jan - Mar	Apr - Jun	Jan - Mar	Apr - Jun
OIBDA	4,264	4,438	3,850	4,083
Telefónica España	1,350	1,322	1,286	1,263
Telefónica Deutschland	522	578	393	471
Telefónica UK	504	548	449	493
Telefónica Brasil	1,050	1,001	943	893
Telefónica Hispam Sur (1)	441	495	402	476
Telefónica Argentina	145	181	136	173
Telefónica Chile	169	170	150	150
Telefónica Perú	107	125	95	134
Telefónica Uruguay	21	20	21	20
Other & eliminations	-	(0)	-	(0)
Telefónica Hispam Norte (2)	263	261	219	226
Telefónica Colombia	131	131	126	133
Telefónica México	22	24	3	7
Telefónica Centroamérica	72	59	57	46
Telefónica Ecuador	38	37	34	32
Telefónica Venezuela	1	10	1	10
Other & eliminations	(1)	(1)	(1)	(1)
Other companies & eliminations	134	232	158	261
Telxius	129	124	105	98
OpCF (OIBDA-CapEx)	2,710	2,607	2,296	2,253
Telefónica España	973	887	908	828
Telefónica Deutschland	270	335	141	227
Telefónica UK	319	324	264	269
Telefónica Brasil	654	463	547	355
Telefónica Hispam Sur (1)	199	244	159	226
Telefónica Argentina	56	95	47	87
Telefónica Chile	80	76	62	56
Telefónica Perú	46	60	34	69
Telefónica Uruguay	16	14	16	13
Other & eliminations	-	(0)	-	(0)
Telefónica Hispam Norte (2)	185	155	141	120
Telefónica Colombia	95	88	89	90
Telefónica México	11	(11)	(9)	(29)
Telefónica Centroamérica	49	49	33	36
Telefónica Ecuador	32	25	28	20
Telefónica Venezuela	0	5	0	5
Other & eliminations	(1)	(1)	(1)	(1)
Other companies & eliminations	112	199	136	227
Telxius	120	40	96	14

Notes:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

(*) For comparative purpose only, January-June 2019 results reported under prior accounting IAS 17.

- OIBDA before management and brand fees.

(1) Telefónica Hispam Sur includes Argentina, Chile, Peru and Uruguay.

(2) Telefónica Hispam Norte includes Colombia, Mexico, Venezuela, Central America and Ecuador.

- Group consolidated results deconsolidate T. Nicaragua since 1 May 2019, Telefónica Guatemala's results since 1 January 2019 and Antares' results since 1 February 2019.

- Organic growth: Assumes average constant foreign exchange rates of 2018, except for Venezuela (2018 and 2019 results converted at the closing synthetic exchange rate for each period) and excludes the hyperinflation adjustment in Argentina. Considers constant perimeter of consolidation. Excludes the effects of the accounting change to IFRS 16, write-downs, capital gains/losses from the sale of companies, restructuring costs and material non-recurring impacts. CapEx excludes spectrum investments.

TELEFÓNICA
Rights of Use additions BREAKDOWN
Unaudited figures (Euros in millions)

	2019	
	Jan - Mar	Apr - Jun
T. ESPAÑA	1	15
T. DEUTSCHLAND	104	43
T. UK	26	43
T. BRASIL	11	242
T. HISPAM SUR (1)	7	70
T. HISPAM NORTE (2)	7	37
Other companies and eliminations	2	20
Telxius	4	35
TOTAL GROUP	159	470

Notes:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.

(1) T. Hispam Sur includes Argentina, Chile, Peru and Uruguay.

(2) T. Hispam Norte includes Colombia, Mexico, Venezuela, Central America and Ecuador.

- Group consolidated results deconsolidate T. Nicaragua since 1 May 2019, Telefónica Guatemala's results since 1 January 2019 and Antares' results since 1 February 2019.

- No data available in 2018.