

Telefonica

JANUARY - DECEMBER 2020

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DISCLAIMER

The financial information related to 2019 and 2020 contained in this document has been prepared under International Financial Reporting Standards (IFRS), as adopted by the European Union. This information is unaudited.

Perimeter

T. Hispam South and T. Hispam North are no longer different segments and from now on are consolidated under T. Hispam segment with some exceptions.

T. Centroamérica are no longer in the consolidation perimeter of Hispam in 2019 and 2020, and from now on is included in "Other companies and eliminations".

T. Guatemala, T. Nicaragua, and T. Panama were deconsolidated in 2019 after these companies were sold.

T. Guatemala was deconsolidated as of 1 Jan 2019.

T. Nicaragua was deconsolidated as of 1 May 2019 and contributed to 2019 Telefónica Group results with €56m in revenues, €30m in OIBDA and €1m in Capex, and with total accesses of 3.9m as of March 2019 (3.6m mobile prepay).

T. Panamá was deconsolidated as of 1 September 2019 and contributed to 2019 Telefónica Group results with €136m in revenues, €60m in OIBDA and €12m in Capex and with total accesses of 1.7m as of June 2019 (1.5m mobile prepay).

Telefonica Costa Rica and Telefonica El Salvador contributed to Telefonica Group in January-December 2019 with €355m in revenues, €122m in OIBDA and €52m in Capex and with total accesses of 4.4m as of December 2019 (3.4m mobile prepay). From now on, these assets are included in "Other companies and eliminations".

Some other companies that operate in Hispam and were previously included in the "Other companies and eliminations" segment have been included in T. Hispam segment, although their impact is not material.

Antares was deconsolidated as of 1 Feb 2019 following the sale of the asset. The Co. contributed in 2019 with €11m in OIBDA at Group level (within "Other Companies & eliminations").

T. España segment in 2020 includes TGT Spain (Telefónica Global Technology that was previously included in the "Other companies and eliminations") and 2019 P&L has been restated accordingly.

T. Infra is a new Segment with a P&L reported and KPIs, from Q1 20 including Telxius as a unique asset in its perimeter.

"Others companies and Eliminations" financials are therefore restated for 2019 mainly excluding Telxius, TGT Spain and some other companies that operate in Hispam and including T. Centroamérica.

Following the agreement reached between Telefónica and Liberty Global to combine their operating businesses in the UK, and in accordance with IFRS 5, T. UK's assets and liabilities have been reclassified as held for sale in the consolidated statement of financial position at September 30, 2020. Accordingly, T. UK's non-current assets ceased to be amortised and depreciated (€771m positive impact in depreciation and amortisation in 2020).

Following the agreement signed on 13 January, 2021 by Telxius Telecom with American Tower Corporation for the sale of its telecommunications towers division in Europe (Spain and Germany) and in Latin America (Brazil, Peru, Chile and Argentina), and in accordance with IFRS 5, T. Telxius consolidated assets and liabilities subject to the transaction have been reclassified as held for sale in the consolidated statement of financial position at December 31, 2020. Accordingly, T. Telxius non-current assets will cease to be depreciated for accounting purposes as from December 31, 2020.

In 2020, Telefónica and América Móvil terminated the purchase agreement. As a consequence, Telefónica El Salvador ceased to be classified as a disposal group held for sale. This has led to the reclassification of the assets and liabilities to the corresponding captions of the consolidated statement of financial position, and has also resulted in the recognition in 2020 of the amortisation and depreciation charges corresponding to 2019 and 2020, together with the corresponding impacts on taxes and non-controlling interests.

Accesses & KPIs

New information has been included since the first quarter 2020 (in the Segments applicable) and is also given for comparative purposes from January 2019.

Connected FTTH accesses and IPTV accesses

Own UBB Premises passed (including FTTH and cable) with FTTH breakdown

At T. España level: Convergent KPIs (Clients, churn and ARPU) including new services revenue mainly related to Consumer, SOHO and SMEs convergent customers

At T. Infra level: Towers, tenants, tenants (non-anchor) and tenancy ratio

At T. Hispam level: Accesses, mobile & contract churn and ARPU

Mobile access base is split down in prepay, contract and IoT accesses since 1 January 2020, this split is also given for comparative purposes from 1 January 2019.

Financials

The following new financial information is presented for the Group in 2020 and has been revised for fiscal year 2019:

- The leverage ratio is calculated as the ratio of net financial debt over OIBDA after Leases "OIBDAaL" 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, the reconciliation of "reported OIBDA for the past 12 months" and "OIBDAaL" for the past 12 months is provided in the Excel file.

- Group Revenue reported is split into Handset sales and Service revenue. The latter is also split into Voice & Access, Broadband and Services over Connectivity and Others.

- Simplified tables for "Net Financial Debt", "Net Financial Debt change" and "OIBDA-CapEx & Net Financial Debt Reconciliation"

The factors impacting in NFD are detailed as: FCF including leases principals, Hybrids, Shareholder remuneration, Commitments, Net financial investments, FX and others, Lease Liabilities

- The "Reported & Organic" reconciliation aggregate the non-recurrent impacts under the following items: Restructuring expenses, changes in the consolidation perimeter, capital gains, FX and Others.

For the different OBs the new revenue split is as follows:

At T.España: Handset sales and Service Revenue split into Retail and "Wholesale and other" revenue.

At the rest of the OBs: Handset sales and Service Revenue split into Fixed & Mobile.

The weighted average number of ordinary shares outstanding during the period has been obtained applying the IAS rule 33 "Earnings per share". Thereby, the weighted average of shares held as treasury stock have not been taken into account as outstanding shares. On the other hand, the denominator is retrospectively adjusted for transactions that have changed the number of shares outstanding without a corresponding change in equity (as if such transactions had occurred at the beginning of the earliest period presented). For instance, the bonus share issue carried out to meet the scrip dividends paid in July and December 2020, have been taken into account.

TELEFÓNICA

ACCESSES

Unaudited figures (thousands)

	2019				2020			
	March	June	September	December	March	June	September	December
Retail Accesses	331,395.2	325,608.8	324,331.2	322,422.2	319,912.7	314,709.0	318,430.8	322,978.5
Fixed telephony accesses	34,262.8	33,202.5	32,338.2	31,285.4	30,348.6	29,618.4	28,881.4	28,243.0
Broadband	21,586.5	21,449.2	21,262.9	20,837.1	20,518.9	20,321.9	20,213.4	20,077.2
UBB	13,580.5	13,931.1	14,191.8	14,280.9	14,434.2	14,625.2	14,949.5	15,212.8
FTTH	7,121.7	7,525.4	7,923.7	8,223.5	8,565.7	8,950.3	9,486.8	9,964.2
Mobile accesses	266,348.2	261,849.4	261,795.1	261,532.9	260,434.6	256,201.7	260,877.5	266,287.1
Prepay	142,120.2	135,992.8	134,224.4	131,787.1	129,550.6	126,134.2	128,770.2	131,542.0
Contract	103,834.0	104,494.0	105,176.0	105,970.7	106,196.4	105,792.9	106,883.3	108,587.5
IoT	20,394.0	21,362.6	22,394.7	23,775.0	24,687.6	24,274.6	25,224.0	26,157.7
Pay TV	8,828.0	8,768.5	8,601.7	8,437.1	8,287.4	8,243.3	8,140.0	8,059.5
Wholesale Accesses	21,019.8	20,971.6	21,489.4	21,912.7	22,327.0	22,555.0	23,068.9	22,455.0
Fixed wholesale accesses	3,895.1	3,859.9	3,851.1	3,822.8	3,793.6	3,753.1	3,742.5	3,722.8
Mobile wholesale accesses	17,124.7	17,111.7	17,638.3	18,089.9	18,533.4	18,801.8	19,326.4	18,732.1
Total Accesses	352,415.0	346,580.4	345,820.6	344,334.9	342,239.7	337,264.0	341,499.7	345,433.5

*Notes:**- T. Panamá's accesses excluded since 1 September 2019, T. Nicaragua's since 1 May of 2019 and T. Guatemala's since 1 January of 2019*

OWN UBB COVERAGE

Unaudited figures (thousands)

	2019				2020			
	March	June	September	December	March	June	September	December
UBB Premises passed	51,763.1	53,162.4	54,474.3	55,675.6	56,827.0	58,249.0	60,092.6	61,797.9
FTTH	35,034.8	36,652.4	38,198.8	39,749.9	41,082.9	42,952.5	45,611.9	47,821.3

TELEFÓNICA

CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	2019					2020				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	11,979	12,142	11,902	12,400	48,422	11,366	10,340	10,461	10,909	43,076
Other income	535	694	823	790	2,842	374	309	320	584	1,587
Operating expenses	(8,247)	(8,364)	(9,973)	(9,168)	(35,752)	(7,970)	(7,219)	(7,315)	(7,725)	(30,230)
Impairments & losses on disposal of assets	(3)	(34)	(3)	(352)	(393)	(9)	(115)	(795)	(16)	(935)
<i>Underlying operating income before D&A (OIBDA)</i>	<i>4,109</i>	<i>4,259</i>	<i>4,243</i>	<i>4,370</i>	<i>16,982</i>	<i>3,802</i>	<i>3,430</i>	<i>3,518</i>	<i>3,732</i>	<i>14,481</i>
Operating income before D&A (OIBDA)	4,264	4,438	2,748	3,669	15,119	3,760	3,315	2,672	3,751	13,498
<i>OIBDA Margin</i>	<i>35.6%</i>	<i>36.5%</i>	<i>23.1%</i>	<i>29.6%</i>	<i>31.2%</i>	<i>33.1%</i>	<i>32.1%</i>	<i>25.5%</i>	<i>34.4%</i>	<i>31.3%</i>
Depreciation and amortisation	(2,614)	(2,633)	(2,580)	(2,755)	(10,582)	(2,669)	(2,282)	(2,128)	(2,280)	(9,359)
Operating income (OI)	1,650	1,804	169	914	4,537	1,091	1,033	544	1,471	4,139
Share of profit (loss) of investments accounted for by the equity method	4	3	2	3	13	1	3	2	(4)	2
Net financial income (expense)	(411)	(441)	(540)	(440)	(1,832)	(428)	(321)	(532)	(278)	(1,558)
Profit before taxes	1,243	1,367	(369)	478	2,718	664	716	14	1,189	2,583
Corporate income tax	(234)	(321)	102	(601)	(1,054)	(196)	(224)	(108)	(98)	(626)
Profit for the period	1,009	1,046	(267)	(123)	1,664	468	491	(93)	1,091	1,957
Attributable to equity holders of the Parent	926	862	(443)	(202)	1,142	406	425	(160)	911	1,582
Attributable to non-controlling interests	83	184	176	79	522	62	66	67	180	375
Weighted average number of ordinary shares outstanding during the period (millions)	5,461	5,456	5,448	5,448	5,453	5,467	5,501	5,482	5,435	5,471
Basic and diluted earnings per share attributable to equity holders of the Parent (Euros)	0.15	0.15	(0.09)	(0.05)	0.16	0.06	0.07	(0.04)	0.16	0.24
<i>Underlying basic and diluted earnings per share attributable to equity holders of the Parent (Euros)</i>	<i>0.15</i>	<i>0.15</i>	<i>0.14</i>	<i>0.17</i>	<i>0.61</i>	<i>0.10</i>	<i>0.12</i>	<i>0.12</i>	<i>0.18</i>	<i>0.52</i>

Notes:

- Other income includes "internal expenditure capitalised in fixed assets" and "gain on disposal of assets".

- The weighted average number of ordinary shares outstanding during the period has been obtained applying the IAS rule 33 "Earnings per share". Thereby, the weighted average of shares held as treasury stock have not been taken into account as outstanding shares. On the other hand, the denominator is retrospectively adjusted for transactions that have changed the number of shares outstanding without a corresponding change in resources (as if such transactions had occurred at the beginning of the earliest period presented). For instance, the bonus share issue carried out to meet the scrip dividends paid in July and December 2020, have been taken into account.

- 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" (€251m in January-December 2020 and €282m in January-December 2019), by the weighted average number of ordinary shares outstanding during the period.

- Following the consideration of the Argentine and Venezuela economies as hyperinflationary from an accounting perspective, the operations are adjusted by inflation and are to be accounted at their corresponding closing exchange vs. the Euro.

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

TELEFÓNICA
CONSOLIDATED REVENUES BREAKDOWN
Unaudited figures (Euros in millions)

	2019					2020				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	11,979	12,142	11,902	12,400	48,422	11,366	10,340	10,461	10,909	43,076
Handsets	1,280	1,286	1,368	1,668	5,602	1,258	1,050	1,235	1,547	5,089
Service Revenues	10,700	10,856	10,533	10,732	42,820	10,108	9,290	9,227	9,361	37,986
% over service revenues										
Voice & Access	34 %	35 %	34 %	33 %	34 %	33 %	31 %	31 %	30 %	31 %
BB & SoC	64 %	63 %	63 %	65 %	64 %	65 %	67 %	68 %	68 %	67 %
Others	2 %	2 %	2 %	2 %	2 %	2 %	2 %	1 %	1 %	2 %

TELEFÓNICA

REVENUES BREAKDOWN

Unaudited figures (Euros in millions)

	2019					2020				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
T. ESPAÑA	3,126	3,194	3,242	3,287	12,850	3,078	3,028	3,103	3,192	12,401
T. DEUTSCHLAND	1,779	1,785	1,865	1,970	7,399	1,846	1,790	1,873	2,023	7,532
T. UK	1,691	1,720	1,773	1,925	7,109	1,739	1,632	1,596	1,742	6,708
T. BRASIL	2,563	2,467	2,507	2,499	10,035	2,215	1,739	1,720	1,748	7,422
T. INFRA (Telxius)	219	216	200	207	842	207	208	194	217	826
T. HISPAM	2,407	2,612	2,203	2,429	9,650	2,204	1,881	1,903	1,934	7,922
Other companies and eliminations	195	147	113	82	536	77	62	72	53	264
TOTAL GROUP	11,979	12,142	11,902	12,400	48,422	11,366	10,340	10,461	10,909	43,076

Notes:

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

- Following the consideration of the Argentine and Venezuela economies as hyperinflationary from an accounting perspective, the operations are adjusted by inflation and are to be accounted at their corresponding closing exchange vs. the Euro.

TELEFÓNICA

OIBDA BREAKDOWN

Unaudited figures (Euros in millions)

	2019					2020				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
T. ESPAÑA	1,355	1,329	(344)	1,378	3,719	1,225	1,211	1,298	1,311	5,046
T. DEUTSCHLAND	522	578	597	629	2,326	532	563	577	637	2,309
T. UK	504	548	543	519	2,114	516	496	516	535	2,064
T. BRASIL	1,050	1,001	1,071	1,141	4,262	951	716	719	802	3,188
T. INFRA (Telxius)	129	124	128	123	504	135	133	121	130	520
T. HISPAM	637	703	561	132	2,033	502	361	(344)	471	990
Other companies and eliminations	67	154	192	(253)	161	(100)	(165)	(217)	(136)	(618)
TOTAL GROUP	4,264	4,438	2,748	3,669	15,119	3,760	3,315	2,672	3,751	13,498

Notes:

- OIBDA before management and brand fees.

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

- Following the consideration of the Argentine and Venezuela economies as hyperinflationary from an accounting perspective, the operations are adjusted by inflation and are to be accounted at their corresponding closing exchange vs. the Euro.

TELEFÓNICA

CAPEX BREAKDOWN

Unaudited figures (Euros in millions)

	2019					2020				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
T. ESPAÑA	380	439	386	462	1,667	344	304	376	384	1,408
T. DEUTSCHLAND	252	243	1,711	263	2,469	224	251	251	368	1,094
T. UK	185	224	242	262	914	221	185	205	302	913
T. BRASIL	396	538	553	519	2,005	337	328	287	420	1,372
T.INFRA (Telxius)	9	85	84	106	284	155	50	89	53	348
T. HISPAM	297	347	317	523	1,485	325	133	155	220	833
Other companies and eliminations	34	(45)	(20)	(8)	(40)	(123)	(15)	(18)	49	(107)
TOTAL GROUP	1,554	1,831	3,273	2,127	8,784	1,485	1,236	1,346	1,795	5,861
Spectrum	18	4	1,443	37	1,501	-	-	-	126	126

Notes:

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

- Following the consideration of the Argentine and Venezuela economies as hyperinflationary from an accounting perspective, the operations are adjusted by inflation and are to be accounted at their corresponding closing exchange vs. the Euro.

TELEFÓNICA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Unaudited figures (Euros in millions)

	2019				2020			
	March	June	September	December	March	June	September	December
Non-current assets	97,197	95,970	97,123	94,549	89,440	75,913	72,475	71,396
Intangible assets	16,404	15,980	16,767	16,034	14,545	12,191	11,645	11,488
Goodwill	26,000	25,870	25,409	25,403	23,290	17,976	17,020	17,044
Property, plant and equipment	33,085	32,523	32,006	32,228	29,794	25,675	24,428	23,769
Rights of Use	7,382	7,404	7,087	6,939	6,209	5,414	5,230	4,982
Investments accounted for by the equity method	64	137	137	140	440	433	391	427
Financial assets and other non-current assets	7,350	7,117	8,399	7,123	8,952	7,901	7,571	7,270
Deferred tax assets	6,912	6,939	7,318	6,682	6,209	6,323	6,191	6,416
Current assets	26,591	26,774	27,220	24,328	22,513	34,487	33,397	33,655
Inventories	1,588	1,707	2,347	1,999	1,626	1,467	2,075	1,718
Receivables and other current assets	10,567	10,816	10,547	10,785	10,073	7,998	7,734	7,523
Tax receivables	1,626	2,008	1,612	1,561	1,255	1,185	1,106	902
Other current financial assets	2,977	3,188	3,043	3,123	3,723	3,609	3,240	2,495
Cash and cash equivalents	8,356	7,588	8,778	6,042	5,021	6,815	5,913	5,604
Non-current assets and disposal groups held for sale (1)	1,477	1,467	893	818	815	13,413	13,328	15,413
Total Assets = Total Equity and Liabilities	123,788	122,744	124,343	118,877	111,953	110,400	105,872	105,051
Equity	28,517	26,449	25,235	25,450	21,474	19,501	17,416	18,260
Equity attributable to equity holders of the parent and other holders of equity instruments	19,479	17,866	16,874	17,118	14,135	12,687	10,866	11,235
Equity attributable to non-controlling interests	9,038	8,583	8,361	8,332	7,339	6,814	6,551	7,025
Non-current liabilities	64,394	64,418	68,211	63,236	61,840	61,845	59,468	58,674
Non-current financial liabilities	46,571	46,508	47,611	43,288	43,588	44,636	42,861	42,297
Non-current lease liabilities	5,616	5,746	5,631	5,626	4,771	4,214	4,036	4,039
Payables and other non-current liabilities	1,986	1,998	3,342	2,928	2,834	2,600	2,679	2,561
Deferred tax liabilities	2,669	2,666	2,619	2,908	2,682	2,577	2,346	2,620
Non-current provisions	7,551	7,500	9,008	8,486	7,965	7,818	7,546	7,157
Current liabilities	30,877	31,877	30,897	30,191	28,639	29,054	28,988	28,117
Current financial liabilities	10,655	10,077	9,288	9,076	9,740	9,471	9,677	8,123
Current lease liabilities	1,529	1,589	1,509	1,600	1,601	1,469	1,567	1,255
Payables and other current liabilities	14,244	15,617	15,732	14,903	12,809	10,834	10,674	10,912
Current tax payables	1,962	2,094	1,831	2,560	2,618	1,918	1,771	1,732
Current provisions	1,828	1,963	2,174	1,672	1,516	1,379	1,364	1,304
Liabilities associated with non-current assets and disposal groups held for sale (1)	659	537	363	380	355	3,983	3,935	4,791

Notes:

(1) As of December 2020 includes assets and liabilities of T. UK and T. Costa Rica, as well as assets and liabilities subject to the agreement of Telxius Telecom with American Tower Corporation, reclassified as held for sale. As of December 2019 includes assets and liabilities of T. El Salvador and T. Costa Rica reclassified as held for sale.

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

	2019				2020			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Cash received from operations	14,737	28,790	42,921	57,699	14,010	25,782	38,362	51,353
Cash paid from operations	(11,081)	(20,995)	(31,138)	(41,224)	(10,912)	(19,240)	(27,931)	(36,477)
Net payments of interest and other financial expenses net of dividends received	(673)	(972)	(1,259)	(1,725)	(666)	(897)	(1,056)	(1,171)
Taxes proceeds/(paid)	676	471	529	272	(173)	(357)	(462)	(509)
Net cash flow provided by operating activities	3,659	7,294	11,053	15,022	2,259	5,288	8,913	13,196
(Payments)/proceeds on investments in property, plant and equipment and intangible assets, net	(1,990)	(3,834)	(5,902)	(7,659)	(1,749)	(3,493)	(5,272)	(7,020)
Proceeds on disposals/ (payments on investments) in companies, net of cash and cash equivalents disposed	416	774	1,760	1,711	11	6	(38)	2
Proceeds/(payments) on financial investments and placements of cash surpluses not included under cash equivalents	(565)	79	323	307	1,074	1,455	(149)	(772)
Net cash flow used in investing activities	(2,139)	(2,981)	(3,819)	(5,641)	(664)	(2,032)	(5,458)	(7,790)
Dividends paid	(170)	(1,323)	(1,638)	(2,742)	(164)	(336)	(853)	(1,296)
Proceeds from share capital increase	-	-	-	-	-	-	-	323
Proceeds/(payments) of treasury shares and other operations with shareholders and with minority interests	(112)	(312)	(509)	(504)	(11)	(5)	(213)	(223)
Operations with other equity holders (1)	241	24	443	390	(904)	(930)	(983)	(1,020)
Proceeds on issue of debentures and bonds, loans, borrowing and promissory notes, and other debts	3,671	4,889	5,748	5,888	2,095	6,263	7,977	8,527
Repayments of debentures and bonds, and other debts and repayments of loans, borrowings and promissory notes	(1,906)	(4,517)	(6,650)	(10,009)	(2,586)	(5,884)	(7,515)	(9,580)
Lease Principal Payments	(499)	(831)	(1,152)	(1,518)	(557)	(891)	(1,215)	(1,787)
Financed operating payments and investments in property, plant and equipment and intangible assets payments	(161)	(358)	(383)	(526)	(140)	(231)	(259)	(382)
Net cash used in financing activities	1,064	(2,428)	(4,141)	(9,021)	(2,267)	(2,014)	(3,062)	(5,438)
Effect of changes in exchange rates, cash reclassified to assets held for sale, effect of changes in consolidation methods and others	80	11	(7)	(10)	(349)	(469)	(522)	(406)
Net increase (decrease) in cash and cash equivalents during the year	2,664	1,896	3,086	350	(1,021)	773	(129)	(438)
Cash and cash equivalents at the beginning of the period	5,692	5,692	5,692	5,692	6,042	6,042	6,042	6,042
Cash and cash equivalents at the end of the period	8,356	7,588	8,778	6,042	5,021	6,815	5,913	5,604

Notes:

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

TELEFÓNICA
CHANGE IN DEBT

Unaudited figures (Euros in millions)

	2019				2020			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Net financial debt at beginning of period	41,074	41,074	41,074	41,074	37,744	37,744	37,744	37,744
+ Free Cash Flow including Lease Principal Payments	(1,409)	(2,756)	(4,150)	(5,912)	(233)	(1,222)	(2,801)	(4,794)
+ Hybrids	(186)	(186)	(686)	(686)	723	723	723	723
+ Shareholder remuneration (including hybrid coupons)	232	1,275	1,529	2,438	351	372	1,003	1,022
+ Pre-retirement commitments	239	419	595	840	284	493	697	963
+ Net financial investments	(139)	(321)	(1,170)	(1,090)	4	(9)	41	18
+FX & Others	571	726	1,101	1,080	(651)	(900)	(733)	(449)
Net financial debt at end of period	40,381	40,230	38,293	37,744	38,223	37,201	36,676	35,228
+ Lease Liabilities	7,439	7,542	7,301	7,379	6,531	6,436	6,316	6,469
Net Financial Debt plus Lease Liabilities at end of period	47,820	47,772	45,594	45,123	44,754	43,637	42,992	41,697

TELEFÓNICA

RECONCILIATIONS OF CASH FLOW AND OIBDA MINUS CAPEX

Unaudited figures (Euros in millions)

	2019				2020			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan -Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
OIBDA	4,264	8,702	11,450	15,119	3,760	7,075	9,747	13,498
- CapEx accrued during the period	(1,554)	(3,385)	(6,657)	(8,784)	(1,485)	(2,721)	(4,067)	(5,861)
- Non-cash items & Others (1)	(95)	(269)	1,202	1,495	(2)	110	939	906
- Working Capital	(711)	(669)	482	1,739	(640)	(921)	(764)	189
- Net interest payment	(673)	(972)	(1,259)	(1,725)	(666)	(897)	(1,056)	(1,171)
- Payment for tax	676	471	529	272	(173)	(357)	(462)	(509)
- Dividends paid to minority shareholders	(0)	(292)	(445)	(686)	(4)	(175)	(322)	(471)
= Free Cash Flow excluding Lease Principal Payments	1,908	3,587	5,302	7,429	790	2,113	4,016	6,581
- Lease Principal Payments	(499)	(831)	(1,152)	(1,518)	(557)	(891)	(1,215)	(1,787)
= Free Cash Flow including Lease Principal Payments	1,409	2,756	4,150	5,912	233	1,222	2,801	4,794
Weighted average number of ordinary shares outstanding during the period (millions)	5,461	5,459	5,455	5,453	5,467	5,484	5,483	5,471
= Free Cash Flow per share (Euros)	0.26	0.50	0.76	1.08	0.04	0.22	0.51	0.88

Notes:

- The weighted average number of ordinary shares outstanding during the period has been obtained applying the IAS rule 33 "Earnings per share". Thereby, the weighted average of shares held as treasury stock have not been taken into account as outstanding shares. On the other hand, the denominator is retrospectively adjusted for transactions that have changed the number of shares outstanding without a corresponding change in resources (as if such transactions had occurred at the beginning of the earliest period presented). For instance, the bonus share issue carried out to meet the scrip dividends paid in July and December 2020, have been taken into account.

(1) In January-December 2019 it includes €1,945m related to commitments associated with long-term restructuring plans, mainly in Spain, and €451m related mainly to capital gains from asset sales and the goodwill impairment of T.Argentina. In January-December 2020, it includes €851m related mainly to the impairments allocated to T. Argentina and €55m related to commitments associated with long-term restructuring plans mainly in Germany and Hispam.

TELEFÓNICA

EXCHANGE RATES APPLIED TO P&L AND CAPEX

Currency units per Euro	2019				2020			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
USA (US Dollar)	1.136	1.130	1.124	1.119	1.103	1.102	1.123	1.140
United Kingdom (Sterling)	0.873	0.873	0.883	0.877	0.861	0.874	0.884	0.889
Argentina (Argentine Peso) (1)	48.697	48.265	62.786	67.259	70.621	78.883	89.182	103.231
Brazil (Brazilian Real)	4.282	4.343	4.364	4.411	4.887	5.347	5.628	5.811
Chile (Chilean Peso)	757.983	762.875	770.125	785.324	885.042	894.831	900.447	901.811
Colombia (Colombian Peso)	3,561.812	3,600.788	3,637.925	3,670.088	3,885.668	4,048.665	4,147.863	4,197.730
Costa Rica (Colon)	692.521	681.199	667.557	660.502	633.312	633.312	652.742	669.792
Mexico (Mexican Peso)	21.819	21.644	21.628	21.548	21.886	23.618	24.313	24.360
Nicaragua (Cordoba)	36.943	36.964	36.993	37.074	37.450	37.553	38.427	39.140
Peru (Peruvian Nuevo Sol)	3.776	3.753	3.740	3.735	3.749	3.761	3.881	3.978
Uruguay (Uruguayan Peso)	37.268	38.188	38.713	39.383	43.446	45.360	46.807	47.758
Venezuela (1)	69,714.172	9,004.900	36,888.780	76,863.861	167,953.860	350,934.727	756,556.031	2,569,519.031

Notes:

- Average exchange rate for the period.

(1) Following the consideration of the Argentine and Venezuela economies as hyperinflationary from an accounting perspective, the operations are adjusted by inflation and are to be accounted at their corresponding closing exchange vs. the Euro (in the case of Venezuela Telefónica uses a synthetic exchange rate).

EXCHANGE RATES APPLIED TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Currency units per Euro	2019				2020			
	March	June	September	December	March	June	September	December
USA (US Dollar)	1.123	1.137	1.091	1.123	1.095	1.120	1.171	1.227
United Kingdom (Sterling)	0.858	0.896	0.886	0.851	0.887	0.913	0.913	0.898
Argentina (Argentine Peso)	48.697	48.265	62.786	67.259	70.621	78.883	89.182	103.231
Brazil (Brazilian Real)	4.377	4.357	4.543	4.526	5.695	6.131	6.604	6.376
Chile (Chilean Peso)	762.160	772.225	794.370	840.795	933.315	919.447	922.765	872.227
Colombia (Colombian Peso)	3,566.079	3,645.006	3,793.382	3,680.056	4,441.345	4,205.533	4,525.686	4,211.165
Costa Rica (Colon)	678.426	665.779	636.943	647.249	643.501	653.168	710.227	757.576
Mexico (Mexican Peso)	21.766	21.841	21.527	21.184	25.725	25.851	25.926	24.425
Nicaragua (Cordoba)	36.745	37.652	36.578	37.999	37.340	38.446	40.504	42.724
Peru (Peruvian Nuevo Sol)	3.728	3.738	3.691	3.721	3.765	3.961	4.211	4.442
Uruguay (Uruguayan Peso)	37.611	40.004	40.295	41.895	47.111	47.261	49.847	51.945
Venezuela	69,714.172	9,004.900	36,888.780	76,863.861	167,953.860	350,934.727	756,556.031	2,569,519.031

Notes:

- Exchange rates as of the end of the period.

TELEFÓNICA

2020 MAIN LONG TERM FINANCING OPERATIONS

Unaudited figures

	Issue date	Amount (m)	Currency	Issuer	Coupon	Maturity date	ISIN code
DEBENTURES AND BONDS							
Eurobond	2/3/2020	1,000	EUR	Telefónica Emisiones, S.A.U.	0.664 %	2/3/2030	XS2112289207
Eurobond	5/21/2020	750	EUR	Telefónica Emisiones, S.A.U.	1.807 %	5/21/2032	XS2177442295
Eurobond	5/21/2020	1,250	EUR	Telefónica Emisiones, S.A.U.	1.201 %	8/21/2027	XS2177441990
Eurobond	7/13/2020	500	EUR	Telefónica Emisiones, S.A.U.	1.864 %	7/13/2040	XS2197675288
USD Bond	7/17/2020	500	USD	Colombia Telecomunicaciones SA ESP	4.950 %	7/17/2030	US195333PAC41
Eurobond	9/24/2020	104	EUR	VMED O2 UK Financing I plc *	3.250 %	1/31/2031	XS2231282976
Eurobond	9/24/2020	846	EUR	VMED O2 UK Financing I plc *	3.250 %	1/31/2031	XS2231188876
GBP Bond	9/24/2020	42	GBP	VMED O2 UK Financing I plc *	4.000 %	1/31/2029	XS2231283354
GBP Bond	9/24/2020	558	GBP	VMED O2 UK Financing I plc *	4.000 %	1/31/2029	XS2231189924
USD Bond	9/24/2020	1,315	USD	VMED O2 UK Financing I plc *	4.250 %	1/31/2031	US92858RAA86
USD Bond	9/24/2020	35	USD	VMED O2 UK Financing I plc *	4.250 %	1/31/2031	USG9444PAA06

	Issue date	Amount (m)	Currency	Issuer	Coupon	First Call date	ISIN code
UNDATED DEEPLY SUBORDINATED RESET RATE SECURITIES							
Hybrid bond	2/5/2020	500	EUR	Telefónica Europe B.V.	2.501 %	5/5/2027	XS2109819859
Hybrid bond	2/12/2021	1,000	EUR	Telefónica Europe B.V.	2.376 %	5/12/2029	XS2293060658

	Signing date	Amount	Currency	Borrower	Maturity date
INTEREST-BEARING DEBT					
EIB Financing (Tranche 2)	1/14/2020	150	EUR	Telefónica Germany GmbH & Co. OHG	7/14/2029 (1)
Bilateral Loan	2/25/2020	215	USD	Colombia Telecomunicaciones, S.A. ESP	3/24/2025
Syndicated facility	3/18/2020	320	USD	Colombia Telecomunicaciones, S.A. ESP	3/18/2025
Bilateral Loan	4/17/2020	140	USD	Telefónica Móviles Chile	9/29/2023 (2)
Syndicated facility	5/7/2020	4,000	GBP	Telefonica UK Ltd	9/29/2020 (3)
Syndicated Term Loan B	9/11/2020	1,300	USD	Virgin Media Bristol LLC *	1/31/2029
Syndicated Term Loan B	9/11/2020	750	EUR	VMED O2 UK Holdco 4 Limited *	1/31/2029
Syndicated Term Loan A	12/7/2020	1,500	GBP	VMED O2 UK Holdco 4 Limited *	1/31/2026
Bilateral Loan	12/18/2020	200	EUR	Telefónica, S.A.	6/18/2024 (4)

* VMED O2 UK Financing which is not consolidated at TSA

1. Maximum maturity date

2. On September 30, 2020, there was an extension of the maturity for the USD 140 million bilateral loan up to 2023

3. On September 29, 2020, there was an early repayment of the syndicated loan. The original maturity of the loan was 2021 with two six-months

4. The bilateral loan has two annual extension options

TELEFÓNICA
 RECONCILIATION REPORTED VS. BASIS FOR 2020 OUTLOOK
 Unaudited figures (Euros in millions)

	Base 2019
REVENUES	Jan - Dec
<hr/>	
TELEFÓNICA	
REPORTED DATA	48,422
Changes in the consolidation perimeter	(547)
TELEFÓNICA TOTAL REVENUES ADJUSTED BASE	47,875

	Base 2019
OIBDA	Jan - Dec
<hr/>	
TELEFÓNICA	
REPORTED DATA	15,119
Restructuring charges	2,190
Changes in the consolidation perimeter	(224)
Capital gains /losses on sale of assets	(768)
Others	445
TELEFÓNICA TOTAL OIBDA ADJUSTED BASE	16,762

	Base 2019
OIBDA-CAPEX & (OIBDA-CAPEX)/REVENUES	Jan - Dec
<hr/>	
TELEFÓNICA	
CAPEX REPORTED DATA	8,784
Changes in the consolidation perimeter	(65)
Spectrum	(1,483)
TELEFÓNICA TOTAL CAPEX EX- SPECTRUM ADJUSTED BASE	7,235
TELEFÓNICA TOTAL OIBDA-CAPEX ADJUSTED BASE	9,526
TELEFÓNICA TOTAL (OIBDA-CAPEX)/REVENUES ADJUSTED BASE	19.9 %

Notes:

Criteria for 2020 outlook:

Assumes constant exchange rates of 2019 (average in 2019). Considers constant perimeter of consolidation, does not include capital gains/losses from the sale of companies and assets sales (material), restructuring costs and other impacts (write-offs, material non-recurring impacts). In addition, excludes contribution to growth from T. Argentina and T. Venezuela and the results from Central America. CapEx excludes investments in spectrum.

TELEFÓNICA
 RECONCILIATION REPORTED VS. BASIS FOR 2021 GUIDANCE
 Unaudited figures (Euros in millions)

	Base 2020
	Jan - Dec

REVENUES

TELEFÓNICA	
REPORTED DATA	43,076
TELEFÓNICA TOTAL REVENUES ADJUSTED BASE	43,076

	Base 2020
	Jan - Dec

OIBDA

TELEFÓNICA	
REPORTED DATA	13,498
Restructuring charges	115
Capital gains /losses on sale of assets	(25)
Others	894
TELEFÓNICA TOTAL OIBDA ADJUSTED BASE	14,481

	Base 2020
	Jan - Dec

CAPEX/SALES (ex spectrum)

TELEFÓNICA	
CAPEX REPORTED DATA	5,861
Spectrum	(126)
TELEFÓNICA TOTAL CAPEX EX- SPECTRUM ADJUSTED BASE	5,736

TELEFÓNICA TOTAL CAPEX/SALEX ADJUSTED BASE	13.3 %
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Notes:

Criteria for 2021 guidance:

Assumes constant exchange rates of 2020 (average in 2020).

Excludes the contribution to growth from T. Argentina and T. Venezuela.

Considers constant perimeter of consolidation and does not include capital gains/losses from the sale of companies, for significant impacts.

Does not include write-offs, material non-recurring impacts and restructuring costs.

CapEx excludes investments in spectrum.

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

	2019					2020				
	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec
Revenues	3,126	3,194	3,242	3,287	12,850	3,078	3,028	3,103	3,192	12,401
Mobile handset revenues	76	89	98	110	373	64	44	73	83	264
Revenues ex-mobile handset revenues	3,050	3,106	3,144	3,177	12,477	3,014	2,984	3,030	3,109	12,137
Retail	2,564	2,578	2,571	2,600	10,313	2,477	2,439	2,459	2,531	9,906
Wholesale & others	486	528	573	577	2,164	537	545	571	578	2,231
Operating income before D&A (OIBDA)	1,355	1,329	(344)	1,378	3,719	1,225	1,211	1,298	1,311	5,046
OIBDA Margin	43.4%	41.6%	n.s.	41.9%	28.9%	39.8%	40.0%	41.8%	41.1%	40.7%
CapEx	380	439	386	462	1,667	344	304	376	384	1,408
Spectrum	-	-	-	7	7	-	-	-	-	-
OIBDA-CapEx	975	891	(730)	916	2,052	881	907	923	928	3,638

Notes:

- OIBDA before management and brand fees.

TELEFÓNICA ESPAÑA

ACCESSES

Unaudited figures (Thousands)

	2019				2020			
	March	June	September	December	March	June	September	December
Retail Accesses	37,847.8	38,047.1	38,020.7	38,049.5	37,874.0	37,936.9	37,922.1	37,615.1
Fixed telephony	9,220.7	9,161.4	9,092.5	9,024.1	8,918.6	8,917.6	8,882.5	8,731.0
Broadband	6,068.0	6,072.4	6,078.3	6,023.4	5,985.2	5,993.4	6,030.3	5,961.9
FTTH	4,025.5	4,150.8	4,246.9	4,325.0	4,393.0	4,452.0	4,556.9	4,614.1
Mobile	18,448.6	18,691.9	18,748.5	18,916.9	18,926.7	18,960.3	18,993.7	18,977.8
Prepay	1,341.2	1,258.6	1,200.4	1,137.2	1,070.2	1,012.7	940.0	888.1
Contract	14,753.5	14,946.2	14,991.9	15,158.8	15,209.9	15,279.8	15,365.1	15,383.7
IoT	2,353.9	2,487.0	2,556.2	2,620.8	2,646.6	2,667.7	2,688.6	2,706.0
Pay TV	4,094.8	4,106.1	4,088.5	4,073.8	4,032.3	4,054.3	4,004.3	3,934.5
Wholesale Accesses	3,858.4	3,822.5	3,816.1	3,788.2	3,772.4	3,719.9	3,709.2	3,689.5
FTTH	1,719.2	1,863.4	2,014.3	2,154.9	2,292.5	2,361.3	2,489.6	2,599.8
Total Accesses	41,706.2	41,869.6	41,836.9	41,837.7	41,646.4	41,656.7	41,631.4	41,304.6

OWN UBB COVERAGE

Unaudited figures (thousands)

	2019				2020			
	March	June	September	December	March	June	September	December
UBB Premises passed (FTTH)	21,762.7	22,248.9	22,684.0	23,133.1	23,421.8	23,650.1	24,445.4	25,219.4

CONVERGENT KPIS

	2019				2020			
	March	June	September	December	March	June	September	December
Convergent clients (thousands)	4,833.4	4,862.5	4,850.4	4,839.1	4,824.5	4,830.3	4,847.3	4,824.8
Convergent ARPU (EUR) (cumulative YTD)	92.8	92.9	93.2	93.2	91.8	91.3	91.5	91.4
Convergent churn (cumulative YTD)	1.7%	1.6%	1.6%	1.6%	1.5%	1.2%	1.3%	1.4%

Notes:

- Convergent include Consumer, SOHO and SMEs clients

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

	2019					2020				
	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec
Revenues	1,779	1,785	1,865	1,970	7,399	1,846	1,790	1,873	2,023	7,532
Mobile Business	1,596	1,600	1,679	1,773	6,647	1,650	1,597	1,672	1,810	6,730
Handset revenues	315	281	318	432	1,346	339	322	311	451	1,423
Fixed Business	182	185	185	189	741	193	193	198	202	785
Operating income before D&A (OIBDA)	522	578	597	629	2,326	532	563	577	637	2,309
OIBDA Margin	29.4%	32.4%	32.0%	31.9%	31.4%	28.8%	31.4%	30.8%	31.5%	30.7%
CapEx	252	243	1,711	263	2,469	224	251	251	368	1,094
Spectrum	-	-	1,425	-	1,425	-	-	-	-	-
OIBDA-CapEx	270	335	(1,114)	366	(143)	308	312	326	268	1,214

Note:

- OIBDA before management and brand fees.

TELEFÓNICA DEUTSCHLAND

ACCESSES

Unaudited figures (Thousands)

	2019				2020			
	March	June	September	December	March	June	September	December
Retail Accesses	47,202.1	47,555.9	48,010.9	48,258.0	48,121.7	48,017.7	48,544.9	48,804.7
Fixed telephony accesses	2,041.2	2,078.4	2,113.7	2,129.5	2,149.1	2,163.4	2,170.9	2,180.2
Broadband	2,123.7	2,162.0	2,193.4	2,206.6	2,231.7	2,245.2	2,251.6	2,261.1
UBB (1)	1,506.6	1,565.7	1,619.1	1,652.0	1,687.7	1,728.8	1,762.3	1,797.8
Mobile accesses	42,913.2	43,217.6	43,607.3	43,826.8	43,647.1	43,516.5	44,032.4	44,274.8
Prepay	20,331.8	20,335.1	20,332.5	20,096.2	19,689.4	19,323.0	19,530.7	19,283.3
Contract	21,371.4	21,728.6	22,095.9	22,538.8	22,727.2	22,885.3	23,146.3	23,581.3
IoT (2)	1,210.0	1,153.9	1,179.0	1,191.8	1,230.4	1,308.2	1,355.4	1,410.1
Total Accesses	47,202.1	47,555.9	48,010.9	48,258.0	48,121.7	48,017.7	48,544.9	48,804.7

Notes:

(1) UBB accesses referes to VDSL accesses in Germany.

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

SELECTED OPERATIONAL DATA

Unaudited figures

	2019				2020			
	March	June	September	December	March	June	September	December
Mobile churn (quarterly)	1.9 %	1.8 %	1.9 %	2.0 %	2.0 %	1.9 %	1.6 %	1.8 %
Contract	1.6 %	1.5 %	1.5 %	1.5 %	1.5 %	1.4 %	1.4 %	1.3 %
Mobile churn (cumulative YTD)	1.9 %	1.8 %	1.8 %	1.9 %	2.0 %	1.9 %	1.8 %	1.8 %
Contract	1.6 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.4 %	1.4 %
Mobile ARPU (EUR) (cumulative YTD)	9.8	9.9	10.0	10.0	9.8	9.7	9.9	9.9
Contract	14.2	14.3	14.3	14.3	13.7	13.5	13.6	13.6

Notes:

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

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

	2019					2020				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	1,691	1,720	1,773	1,925	7,109	1,739	1,632	1,596	1,742	6,708
Mobile revenues	1,636	1,670	1,725	1,861	6,891	1,678	1,566	1,546	1,685	6,476
Handset revenues	391	395	460	550	1,795	428	428	417	543	1,816
Fixed Business	55	51	48	65	218	61	65	49	57	232
Operating income before D&A (OIBDA)	504	548	543	519	2,114	516	496	516	535	2,064
<i>OIBDA Margin</i>	29.8%	31.9%	30.6%	27.0%	29.7%	29.7%	30.4%	32.4%	30.7%	30.8%
CapEx	185	224	242	262	914	221	185	205	302	913
Spectrum	-	-	-	-	-	-	-	-	94	94
OIBDA-CapEx	319	324	301	257	1,200	295	311	312	233	1,151

Notes:

- OIBDA before management and brand fees.

TELEFÓNICA UK

ACCESSES

Unaudited figures (Thousands)

	2019				2020			
	March	June	September	December	March	June	September	December
Retail Accesses	24,793.7	25,113.6	25,731.5	26,145.5	26,368.0	25,752.9	26,702.2	27,330.3
Fixed telephony accesses	309.3	310.9	312.2	313.3	315.8	317.8	319.2	320.4
Broadband	28.4	28.5	28.7	28.9	29.0	29.0	29.1	29.2
Mobile accesses	24,456.0	24,774.1	25,390.5	25,803.3	26,023.2	25,406.1	26,353.8	26,980.7
Prepay	8,534.6	8,482.6	8,625.1	8,436.1	8,199.6	7,570.6	8,127.2	8,117.4
Contract	12,136.1	12,142.4	12,164.1	12,248.5	12,268.3	12,259.7	12,292.7	12,372.7
IoT	3,785.2	4,149.1	4,601.3	5,118.7	5,555.3	5,575.8	5,934.0	6,490.6
Wholesale Accesses	8,290.3	8,487.7	8,697.2	8,714.7	8,774.2	8,694.3	9,018.3	9,210.9
Total accesses (1)	33,084.0	33,601.3	34,428.7	34,860.2	35,142.2	34,447.2	35,720.5	36,541.2

Notes:

(1) Impacted by the disconnection of 150k inactive accesses in Q4 19.

SELECTED OPERATIONAL DATA

Unaudited figures

	2019				2020			
	March	June	September	December	March	June	September	December
Mobile churn (quarterly)	1.9 %	1.8 %	1.7 %	2.0 %	1.8 %	2.1 %	0.7 %	1.4 %
Contract	1.0 %	0.9 %	1.0 %	1.1 %	1.0 %	0.9 %	0.9 %	0.9 %
Mobile churn (cumulative YTD)	1.9 %	1.8 %	1.8 %	1.9 %	1.8 %	2.0 %	1.6 %	1.5 %
Contract	1.0 %	1.0 %	1.0 %	1.0 %	1.0 %	0.9 %	0.9 %	0.9 %
Mobile ARPU (EUR) (cumulative YTD)	15.0	15.0	14.9	14.8	13.8	13.4	13.1	12.8
Contract	24.8	24.9	24.8	24.9	23.7	23.0	22.5	22.1

Notes:

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

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

	2019					2020				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	2,563	2,467	2,507	2,499	10,035	2,215	1,739	1,720	1,748	7,422
Mobile Business	1,654	1,582	1,625	1,638	6,498	1,447	1,113	1,145	1,186	4,891
Handset revenues	140	143	146	183	613	119	60	117	130	426
Fixed Business	909	885	882	861	3,537	768	626	575	562	2,531
Operating income before D&A (OIBDA)	1,050	1,001	1,071	1,141	4,262	951	716	719	802	3,188
OIBDA Margin	40.9%	40.6%	42.7%	45.7%	42.5%	42.9%	41.2%	41.8 %	45.9%	42.9%
CapEx	396	538	553	519	2,005	337	328	287	420	1,372
Spectrum	-	-	-	-	-	-	-	-	32	32
OIBDA-CapEx	654	463	518	622	2,257	613	388	432	382	1,815

Notes:

- OIBDA before management and brand fees.

TELEFÓNICA BRASIL

ACCESSES

Unaudited figures (thousands)

	2019				2020			
	March	June	September	December	March	June	September	December
Retail Accesses	95,091.7	94,458.3	93,815.0	93,718.9	93,173.2	92,103.6	93,811.5	95,145.0
Fixed telephony accesses	12,557.9	11,891.0	11,384.9	10,817.0	10,309.0	9,779.4	9,347.8	8,994.8
Broadband	7,414.4	7,297.1	7,150.8	6,938.9	6,772.6	6,587.0	6,430.4	6,315.0
UBB	5,031.5	5,041.1	5,055.4	5,022.8	5,026.7	5,033.1	5,054.8	5,084.2
FTTH	2,034.5	2,170.3	2,332.3	2,477.4	2,652.3	2,862.6	3,129.7	3,377.7
Mobile accesses	73,519.1	73,735.3	73,824.4	74,573.1	74,740.7	74,399.3	76,709.4	78,523.7
Prepay	32,506.2	32,030.2	31,533.9	31,408.0	31,023.8	31,291.2	32,757.1	33,662.5
Contract	32,338.3	32,589.3	32,820.7	33,075.3	33,310.3	33,246.8	33,689.5	34,418.2
IoT	8,674.5	9,115.8	9,469.8	10,089.8	10,406.6	9,861.3	10,262.8	10,443.0
Pay TV	1,521.5	1,460.2	1,382.7	1,319.7	1,282.9	1,270.3	1,257.8	1,247.7
IPTV	617.2	647.7	680.8	714.5	753.3	805.3	854.5	890.8
Total Accesses	95,106.4	94,472.8	93,828.7	93,732.3	93,173.3	92,116.9	93,824.5	95,157.9

OWN UBB COVERAGE

Unaudited figures (thousands)

	2019				2020			
	March	June	September	December	March	June	September	December
UBB Premises passed	20,006.4	20,342.9	20,696.6	21,119.9	21,677.8	22,626.8	23,927.6	24,514.0
FTTH	8,980.1	9,527.7	10,176.9	10,950.2	11,689.7	13,086.4	14,588.5	15,696.9

SELECTED OPERATIONAL DATA

Unaudited figures

	2019				2020			
	March	June	September	December	March	June	September	December
Mobile churn (quarterly)	3.2 %	3.4 %	3.4 %	3.3 %	3.1 %	3.4 %	3.1 %	2.9 %
Contract	1.7 %	2.0 %	1.9 %	1.7 %	1.5 %	1.5 %	1.2 %	1.1 %
Mobile churn (cumulative YTD)	3.2 %	3.3 %	3.3 %	3.3 %	3.1 %	3.2 %	3.2 %	3.1 %
Contract	1.7 %	1.9 %	1.9 %	1.7 %	1.5 %	1.5 %	1.4 %	1.3 %
Mobile ARPU (EUR) (cumulative YTD)	6.7	6.5	6.5	6.4	5.7	5.1	4.9	4.7
Contract	12.2	11.8	11.7	11.6	10.2	9.2	8.7	8.4

Notes:

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

TELEFÓNICA INFRA (Telxius)
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2019					2020				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	219	216	200	207	842	207	208	194	217	826
Operating income before D&A (OIBDA)	129	124	128	123	504	135	133	121	130	520
OIBDA Margin	58.8%	57.5%	64.1%	59.2%	59.8%	65.4%	63.9%	62.5%	59.9%	62.9%
CapEx	9	85	84	106	284	155	50	89	53	348
CapEx ex inorganic operations (1)	9	15	35	44	103	22	13	42	55	132
OIBDA-CapEx	120	40	44	16	220	(20)	83	32	78	172
OIBDA-CapEx ex inorganic operations (1)	120	110	93	79	401	113	121	79	75	388

Notes:

- OIBDA before management and brand fees.

(1) CapEx and OIBDA-CapEx ex inorganic operations, exclude the M&A operations accounted as CapEx in the period (towers acquired, DAS, and real estate assets)

TELEFÓNICA INFRA (Telxius)
 SELECTED OPERATIONAL DATA

Unaudited figures

	2019				2020			
	March	June	September	December	March	June	September	December
Towers (#)	16,754	17,550	18,130	18,348	20,331	20,422	26,589	26,765
Tenants (#)	22,924	23,889	24,556	24,911	27,181	27,363	33,998	34,318
Tenants (non anchor) (#)	6,170	6,339	6,426	6,563	6,850	6,941	7,409	7,553
Tenancy ratio (%)	1.37x	1.36x	1.35x	1.36x	1.34x	1.34x	1.28x	1.28x

Notes:

- *Non anchor tenants refer to other tenants than anchor.*

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

	2019					2020				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	2,407	2,612	2,203	2,429	9,650	2,204	1,881	1,903	1,934	7,922
Mobile Business	1,555	1,680	1,403	1,571	6,210	1,406	1,161	1,232	1,271	5,070
Handset revenues	342	362	332	379	1,415	295	185	305	327	1,111
Fixed Business	812	969	799	856	3,435	764	692	721	660	2,836
Operating income before D&A (OIBDA) (1)	637	703	561	132	2,033	502	361	(344)	471	990
OIBDA Margin	26.5%	26.9%	25.5%	5.4%	21.1%	22.8%	19.2%	(18.0%)	24.4%	12.5%
CapEx	297	347	317	523	1,485	325	133	155	220	833
Spectrum	-	4	18	30	52	-	-	-	-	-
OIBDA-CapEx	340	355	244	(391)	548	176	228	(499)	251	157

Notes:

(1) Includes impairment allocated to Argentina of -€109m registered in April-June 2020 and -€785m registered in July-September 2020. In 2019, it is included impacts of -€206m due to T. Argentina impairment and -€239m from the transformation of the operational model of T. Mexico after the agreement reached with AT&T, both registered in October-December 2019.

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

	2019					2020				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	2,407	2,612	2,203	2,429	9,650	2,204	1,881	1,903	1,934	7,922
Telefónica Argentina	543	671	362	588	2,163	532	445	406	356	1,738
Telefónica Chile	498	487	470	459	1,914	391	367	398	430	1,585
Telefónica Perú	518	535	547	501	2,102	472	393	394	385	1,645
Telefónica Colombia	359	352	350	349	1,410	333	294	304	319	1,249
Telefónica México	296	316	300	332	1,244	290	229	238	276	1,033
Others and eliminations	192	252	174	200	818	187	153	163	168	672
Handset sales	342	362	332	379	1,415	295	185	305	327	1,111
Telefónica Argentina	48	69	49	71	237	64	36	63	52	215
Telefónica Chile	79	67	74	85	305	62	60	88	93	304
Telefónica Perú	81	82	81	69	313	53	6	56	53	167
Telefónica Colombia	35	37	37	37	146	32	18	27	34	111
Telefónica México	73	81	73	98	326	69	54	59	82	264
Others and eliminations	25	26	17	19	88	14	11	12	12	49
OIBDA	637	703	561	132	2,033	502	361	(344)	471	990
Telefónica Argentina	145	181	94	80	499	101	105	91	59	355
Telefónica Chile	169	170	183	147	669	119	122	129	138	508
Telefónica Perú	107	125	33	89	354	89	81	67	61	298
Telefónica Colombia	131	131	137	158	558	98	102	105	133	438
Telefónica México (1)	22	24	53	(247)	(147)	33	21	9	22	85
Others and eliminations (2)	63	72	60	(94)	100	62	(70)	(744)	58	(694)

Notes:

- OIBDA before management and brand fees.

- The results from Central America are excluded from both the years of 2019 and 2020 and are consolidated in Telefónica Group's "eliminations & others".

- Following the consideration of the Argentine and Venezuela economies as hyperinflationary from an accounting perspective, both operations are adjusted by inflation and are to be accounted at the closing exchange rate.

(1) Includes impact of -€239m impact (October-December 2019) from the transformation of the operational model of T. Mexico after the agreement reached with AT&T.

(2) Includes impairment allocated to Argentina (-€206m in October-December 2019, -€109m in April-June 2020 and -€785m in July-September 2020).

TELEFÓNICA HISPAM

ACCESSES

Unaudited figures (thousands)

	2019				2020			
	March	June	September	December	March	June	September	December
Retail Accesses	115,606.0	113,542.7	113,353.6	110,670.3	108,739.0	105,534.3	106,040.8	108,488.6
Fixed telephony accesses	9,850.3	9,542.5	9,236.2	8,804.2	8,461.8	8,260.7	7,982.7	7,835.0
Broadband	5,861.1	5,806.7	5,733.4	5,564.7	5,428.5	5,398.6	5,407.1	5,447.3
UBB	2,975.2	3,136.4	3,235.9	3,249.6	3,298.3	3,386.0	3,550.9	3,695.0
FTTH/cable (1)	2,348.8	2,579.8	2,770.7	2,829.6	2,916.2	3,034.6	3,239.3	3,417.6
Mobile accesses	96,568.3	94,868.8	95,133.3	93,137.8	91,759.4	88,837.3	89,650.6	92,204.5
Prepay	71,059.2	69,214.2	69,222.7	67,286.2	66,156.9	63,737.5	64,201.0	66,206.7
Contract (2)	22,179.8	22,277.7	22,412.2	22,243.7	21,909.8	21,348.6	21,603.3	22,000.2
IoT	3,329.2	3,376.9	3,498.3	3,607.9	3,692.6	3,751.1	3,846.3	3,997.6
Pay TV	3,181.1	3,178.6	3,103.4	3,015.2	2,943.2	2,889.7	2,853.5	2,856.8
IPTV	152.7	205.4	277.6	335.6	385.8	424.1	501.3	577.7
Total Accesses	115,627.9	113,565.5	113,374.9	110,691.5	108,760.1	105,554.3	106,061.1	108,509.1

Notes:

(1) Includes Peru's cable accesses.

(2) Includes the disconnection of 273 thousand inactive contract accesses in Peru in Q1 19.

OWN UBB COVERAGE

Unaudited figures (thousands)

	2019				2020			
	March	June	September	December	March	June	September	December
UBB Premises passed	10,015.6	10,571.0	11,093.7	11,422.6	11,727.5	11,972.1	11,839.7	12,064.5
FTTH/cable (1)	7,277.3	7,832.6	8,355.4	8,684.3	8,989.1	9,233.8	9,595.7	9,923.4

(1) Includes Peru's cable premises passed.

SELECTED OPERATIONAL DATA

Unaudited figures

	2019				2020			
	March	June	September	December	March	June	September	December
Mobile churn (quarterly)	4.2 %	4.3 %	3.4 %	4.1 %	3.4 %	3.2 %	3.0 %	2.5 %
Contract	2.7 %	2.5 %	2.6 %	2.8 %	2.7 %	2.0 %	2.5 %	2.2 %
Mobile churn (cumulative YTD)	4.2 %	4.2 %	4.0 %	4.0 %	3.4 %	3.3 %	3.2 %	3.0 %
Contract	2.7 %	2.6 %	2.6 %	2.6 %	2.7 %	2.3 %	2.4 %	2.3 %
Mobile ARPU (EUR) (cumulative YTD)	4.0	4.0	4.1	4.0	3.9	3.6	3.5	3.4
Contract	11.7	12.0	12.2	12.2	10.9	10.5	10.0	9.6

Notes:

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

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)

	2019				2020			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Operating income before D&A (OIBDA)	4,264	8,702	11,450	15,119	3,760	7,075	9,747	13,498
Depreciation and amortisation	(2,614)	(5,248)	(7,827)	(10,582)	(2,669)	(4,951)	(7,079)	(9,359)
Operating income (OI)	1,650	3,454	3,622	4,537	1,091	2,124	2,668	4,139

TELEFÓNICA
 NET FINANCIAL DEBT
 Unaudited figures (Euros in millions)

	December 2019	December 2020
Non-current financial liabilities	43,288	42,297
Current financial liabilities	9,076	8,123
Gross Financial Debt	52,364	50,420
Cash and cash equivalents	(6,042)	(5,604)
Current financial assets	(3,118)	(2,489)
Non-current financial assets	(4,292)	(5,137)
Mark-to-market adjustment by cash flow hedging activities related to debt	(388)	(1,048)
Other current assets and liabilities	(1,192)	(260)
Other non-current assets and liabilities	413	(654)
Net Financial Debt	37,744	35,228
Lease Liabilities	7,379	6,469
Net Financial Debt including Lease liabilities (1)	45,123	41,697

Notes:

(1) As of December 2020 includes assets and liabilities defined as net financial debt including lease liabilities of T. UK, T. Costa Rica and those subject to the agreement of Telxius Telecom with American Tower Corporation, that are classified as non-current assets and disposal groups held for sale and liabilities associated with non-current assets and disposal groups held for sale. As of December 2019, includes assets and liabilities defined as net financial debt including lease liabilities of T. El Salvador and T. Costa Rica that are classified as non-current assets and disposal groups held for sale and liabilities associated with non-current assets and disposal groups held for sale.

- Net financial debt includes a positive value of the derivatives portfolio for a net amount of €13m, €4,863m included as financial liabilities and €4,876m included as financial assets.

	December 2019	December 2020
Net Financial Debt / OIBDAaL adjusted (1)	2.52 x	2.79x

(1) OIBDA plus adjustments and after Leases.

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

		2019		2020		
		December	March	June	September	December
A	Net Financial Debt	37,744	38,223	37,201	36,676	35,228
B	OIBDA reported (LTM)	15,119	14,615	13,492	13,416	13,498
C	Adjustments in OIBDA	1,761	2,021	2,336	1,712	983
	Restructuring charges	2,193	2,191	2,177	347	115
	Capital gains/losses on sale of assets	(768)	(570)	(387)	3	(26)
	Others	336	400	546	1,362	894
D	Leases	(1,918)	(1,923)	(1,933)	(1,884)	(1,856)
E= B+C+D	OIBDAaL adjusted (LTM)	14,962	14,713	13,895	13,243	12,625
F= A/E	Net Financial Debt / OIBDAaL adjusted	2.52x	2.60x	2.68x	2.77x	2.79x

TELEFÓNICA
NET COMMITMENTS RELATED TO EMPLOYEE BENEFITS
Unaudited figures (Euros in millions)

	December 2019	December 2020
Gross commitments related to employee benefits	6,711	5,841
Value of associated Long-term assets	(75)	(122)
Tax benefits	(1,739)	(1,513)
Net commitments related to employee benefits (1)	4,897	4,206

Notes:

(1) As of December 2020 includes assets and liabilities defined as net commitments related to employee benefits of T. UK, T. Costa Rica and those subject to the agreement of Telxius Telecom with American Tower Corporation, that are classified as non-current assets and disposal groups held for sale and liabilities associated with non-current assets and disposal groups held for sale. As of December 2019, includes assets and liabilities defined as net commitments related to employee benefits of T. El Salvador and T. Costa Rica that are classified as non-current assets and disposal groups held for sale and liabilities associated with non-current assets and disposal groups held for sale.

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

	2019				2020			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Net cash flow provided by operating activities	3,659	7,294	11,053	15,022	2,259	5,288	8,913	13,196
(Payments on investments)/proceeds from the sale in property, plant and equipment and intangible assets, net	(1,990)	(3,834)	(5,902)	(7,659)	(1,749)	(3,493)	(5,272)	(7,020)
Government grants received	-	-	-	-	-	-	-	-
Dividends paid to minority shareholders	-	(292)	(445)	(686)	(4)	(175)	(322)	(471)
Payments related to cancellation of commitments	239	419	595	840	284	493	697	963
Payments of financed spectrum without explicit interest	-	-	-	(87)	-	-	-	(87)
Free Cash Flow excluding Lease Principal Payments	1,908	3,587	5,302	7,430	790	2,113	4,016	6,581
Lease Principal Payments	(499)	(831)	(1,152)	(1,518)	(557)	(891)	(1,215)	(1,787)
FCF Including Lease Principal Payments	1,409	2,756	4,150	5,912	233	1,222	2,801	4,794

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

REVENUES	2019				2020				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
T. ESPAÑA									
REPORTED DATA	3,126	6,321	9,563	12,850	3,078	6,106	9,209	12,401	(3.5)
T. ESPAÑA ORGANIC	3,126	6,321	9,563	12,850	3,078	6,106	9,209	12,401	(3.5)
T. DEUTSCHLAND									
REPORTED DATA	1,779	3,564	5,429	7,399	1,846	3,636	5,509	7,532	1.8
T. DEUTSCHLAND ORGANIC	1,779	3,564	5,429	7,399	1,846	3,636	5,509	7,532	1.8
T. UK									
REPORTED DATA	1,691	3,411	5,184	7,109	1,739	3,370	4,966	6,708	(5.6)
Forex Impact	-	-	-	-	(23)	1	6	90	
T. UK ORGANIC	1,691	3,411	5,184	7,109	1,716	3,372	4,973	6,797	(4.4)
T. BRASIL									
REPORTED DATA	2,563	5,030	7,536	10,035	2,215	3,954	5,674	7,422	(26.0)
Forex Impact	-	-	-	-	313	914	1,643	2,354	
T. BRASIL ORGANIC	2,563	5,030	7,536	10,035	2,528	4,868	7,317	9,776	(2.6)
T. INFRA (TELXIUS)									
REPORTED DATA	219	435	635	842	207	415	609	826	(1.9)
Forex Impact	-	-	-	-	(1)	2	12	24	
Others	-	-	-	-	(0)	0	(0)	1	
T. INFRA (TELXIUS) ORGANIC	219	435	635	842	206	417	621	851	1.0
T. HISPAM									
REPORTED DATA	2,407	5,018	7,221	9,650	2,204	4,085	5,988	7,922	(17.9)
Changes in the consolidation perimeter	-	1	1	1	-	-	-	-	
Forex Impact	-	-	-	-	98	271	497	705	
Others	-	-	-	-	(10)	267	198	426	
T. HISPAM ORGANIC	2,407	5,019	7,222	9,651	2,292	4,623	6,684	9,053	(6.2)
TELEFÓNICA									
REPORTED DATA	11,979	24,121	36,023	48,422	11,366	21,706	32,167	43,076	(11.0)
Changes in the consolidation perimeter	(173)	(318)	(444)	(535)	(89)	(171)	(249)	(334)	
Forex Impact	-	-	-	-	384	1,176	2,135	3,138	
Others	-	-	-	-	(8)	(0)	196	426	
TELEFÓNICA ORGANIC	11,806	23,803	35,579	47,888	11,653	22,974	34,249	46,305	(3.3)

OIBDA	2019				2020				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	
T. ESPAÑA									
REPORTED DATA	1,355	2,685	2,341	3,719	1,225	2,436	3,734	5,046	35.7
Restructuring charges	23	23	1,757	1,756	27	27	27	27	
Capital gains/losses on sale of assets	(103)	(103)	(130)	(130)	-	-	-	-	
T. ESPAÑA ORGANIC	1,275	2,605	3,968	5,344	1,252	2,463	3,761	5,073	(5.1)
T. DEUTSCHLAND									
REPORTED DATA	522	1,101	1,697	2,326	532	1,095	1,672	2,309	(0.8)
Restructuring charges	10	22	24	22	(1)	0	26	37	
Capital gains/losses on sale of assets	-	-	-	-	9	5	5	5	
T. DEUTSCHLAND ORGANIC	532	1,123	1,722	2,348	540	1,101	1,704	2,352	0.1
T. UK									
REPORTED DATA	504	1,052	1,595	2,114	516	1,012	1,528	2,064	(2.4)
Restructuring charges	-	-	-	29	-	-	-	-	
Forex Impact	-	-	-	-	(7)	0	2	28	
T. UK ORGANIC	504	1,052	1,595	2,143	509	1,012	1,530	2,091	(2.4)
T. BRASIL									
REPORTED DATA	1,050	2,050	3,121	4,262	951	1,666	2,385	3,188	(25.2)
Restructuring charges	-	-	(0)	(0)	-	-	-	-	
Capital gains/losses on sale of assets	-	-	(15)	(15)	-	-	-	-	
Forex Impact	-	-	-	-	134	385	691	1,011	
T. BRASIL ORGANIC	1,050	2,050	3,106	4,247	1,085	2,051	3,076	4,199	(1.1)
T. INFRA (TELXIUS)									
REPORTED DATA	129	253	381	504	135	268	389	520	3.1
Restructuring charges	-	-	-	0	-	-	-	-	
Forex Impact	-	-	-	-	(0)	2	10	19	
Others	-	-	-	-	(0)	(0)	(1)	(0)	
T. INFRA (TELXIUS) ORGANIC	129	253	381	505	135	270	399	538	6.6
T. HISPAM									
REPORTED DATA	637	1,339	1,900	2,033	502	863	519	990	(51.3)
Restructuring charges	0	3	96	235	1	2	15	18	
Changes in the consolidation perimeter	-	(0)	(0)	(0)	-	-	-	-	
Capital gains/losses on sale of assets	-	(1)	(40)	(42)	-	-	(2)	(2)	
Forex Impact	-	-	-	-	30	77	134	187	
Others	-	-	-	445	37	229	1,010	1,123	
T. HISPAM ORGANIC	637	1,341	1,956	2,670	570	1,171	1,675	2,316	(13.2)
TELEFÓNICA									
REPORTED DATA	4,264	8,702	11,450	15,119	3,760	7,075	9,747	13,498	(10.7)
Restructuring charges	34	51	1,926	2,190	32	35	82	116	
Changes in the consolidation perimeter	(86)	(144)	(190)	(224)	(28)	(58)	(85)	(117)	
Capital gains/losses on sale of assets	(189)	(376)	(767)	(768)	9	5	4	(26)	
Forex Impact	-	-	-	-	151	448	806	1,205	
Others	-	-	-	445	34	238	1,029	1,127	
TELEFÓNICA ORGANIC	4,024	8,233	12,419	16,762	3,957	7,744	11,583	15,803	(5.7)

OPERATING INCOME	2019				2020				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	
TELEFÓNICA									
REPORTED DATA	1,650	3,454	3,622	4,537	1,091	2,124	2,668	4,139	(8.8)
Restructuring charges	34	51	1,926	2,190	32	35	82	116	
Changes in the consolidation perimeter	(85)	(144)	(190)	(224)	(28)	(58)	(85)	(52)	
Capital gains/losses on sale of assets	(189)	(376)	(767)	(768)	9	5	4	(26)	
Forex Impact	-	-	-	-	51	117	210	353	
Others	-	-	-	481	124	233	832	663	
TELEFÓNICA ORGANIC	1,409	2,985	4,591	6,216	1,279	2,457	3,711	5,194	(16.4)
CAPEX									
T. ESPAÑA									
REPORTED DATA	380	819	1,205	1,667	344	649	1,024	1,408	(15.5)
Spectrum	-	-	-	(7)	-	-	-	-	
T. ESPAÑA ORGANIC	380	819	1,205	1,661	344	649	1,024	1,408	(15.2)
T. DEUTSCHLAND									
REPORTED DATA	252	496	2,207	2,469	224	475	726	1,094	(55.7)
Spectrum	-	-	(1,425)	(1,425)	-	-	-	-	
T. DEUTSCHLAND ORGANIC	252	496	782	1,044	224	475	726	1,094	4.8
T. UK									
REPORTED DATA	185	409	652	914	221	406	611	913	(0.1)
Forex Impact	-	-	-	-	(3)	0	1	12	
Spectrum	-	-	-	-	-	-	-	(95)	
T. UK ORGANIC	185	409	652	914	218	406	612	830	(9.2)
T. BRASIL									
REPORTED DATA	396	934	1,486	2,005	337	665	952	1,372	(31.6)
Forex Impact	-	-	-	-	48	154	276	435	
Spectrum	-	-	-	-	-	-	-	(42)	
T. BRASIL ORGANIC	396	934	1,486	2,005	385	819	1,228	1,766	(11.9)
T. INFRA (TELXIUS)									
REPORTED DATA	9	94	177	284	155	206	295	348	22.5
Forex Impact	-	-	-	-	19	29	38	43	
Others	-	-	-	-	(0)	(0)	(0)	(1)	
T. INFRA (TELXIUS) ORGANIC	9	94	177	284	174	234	333	390	37.4
T. HISPAM									
REPORTED DATA	297	644	961	1,485	325	458	613	833	(43.9)
Forex Impact	-	-	-	-	21	37	56	79	
Spectrum	0	(4)	(22)	(52)	-	(3)	(3)	(6)	
Others	-	-	-	-	9	68	75		
T. HISPAM ORGANIC	297	640	940	1,433	356	560	742	1,050	(26.7)
TELEFÓNICA									
REPORTED DATA	1,554	3,385	6,657	8,784	1,485	2,721	4,067	5,861	(33.3)
Changes in the consolidation perimeter	(24)	(34)	(47)	(65)	(2)	(8)	(16)	(30)	
Forex Impact	-	-	-	-	66	192	336	532	
Spectrum	-	(4)	(1,446)	(1,483)	-	(3)	(3)	(143)	
Others	-	-	-	-	9	67	75	144	
TELEFÓNICA ORGANIC	1,530	3,347	5,164	7,235	1,558	2,969	4,459	6,364	(12.0)

OIBDA-CapEx	2019				2020				%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	
T. ESPAÑA									
REPORTED DATA	975	1,866	1,136	2,052	881	1,787	2,710	3,638	77.3
Restructuring charges	23	23	1,757	1,756	27	27	27	27	
Capital gains/losses on sale of assets	(103)	(103)	(130)	(130)	-	-	-	-	
Spectrum	-	-	-	7	-	-	-	-	
T. ESPAÑA ORGANIC	895	1,785	2,762	3,684	907	1,814	2,737	3,665	(0.5)
T. DEUTSCHLAND									
REPORTED DATA	270	605	(509)	(143)	308	620	946	1,214	c.s.
Restructuring charges	10	22	24	22	(1)	0	26	37	
Capital gains/losses on sale of assets	-	-	-	-	9	5	5	5	
Spectrum	-	-	1,425	1,425	-	-	-	-	
T. DEUTSCHLAND ORGANIC	280	627	940	1,304	316	626	977	1,257	(3.6)
T. UK									
REPORTED DATA	319	642	943	1,200	295	606	918	1,151	(4.1)
Restructuring charges	-	-	-	29	-	-	-	-	
Forex Impact	-	-	-	-	(4)	0	1	15	
Spectrum	-	-	-	-	-	-	-	95	
T. UK ORGANIC	319	642	943	1,229	291	606	919	1,261	2.7
T. BRASIL									
REPORTED DATA	654	1,117	1,635	2,257	613	1,001	1,433	1,815	(19.6)
Capital gains/losses on sale of assets	-	-	(15)	(15)	-	-	-	-	
Forex Impact	-	-	-	-	87	231	415	576	
Spectrum	-	-	-	-	-	-	-	42	
T. BRASIL ORGANIC	654	1,117	1,620	2,242	700	1,232	1,848	2,433	8.5
T. INFRA (TELXIUS)									
REPORTED DATA	120	159	204	220	(20)	62	94	172	(21.9)
Restructuring charges	-	-	-	0	-	-	-	-	
Forex Impact	-	-	-	-	(19)	(26)	(28)	(24)	
Others	-	-	-	-	(0)	0	(0)	0	
T. INFRA (TELXIUS) ORGANIC	120	159	204	221	(39)	36	66	148	(32.9)
T. HISPAM									
REPORTED DATA	340	695	939	548	176	404	(94)	157	(71.3)
Restructuring charges	0	3	96	235	1	2	15	18	
Capital gains/losses on sale of assets	-	(1)	(40)	(42)	-	-	(2)	(2)	
Forex Impact	-	-	-	-	9	40	78	109	
Spectrum	(0)	4	22	52	-	3	3	6	
Others	(0)	-	-	445	28	162	934	979	
T. HISPAM ORGANIC	340	701	1,016	1,237	214	611	932	1,267	2.4
TELEFÓNICA									
REPORTED DATA	2,710	5,317	4,793	6,335	2,275	4,354	5,680	7,637	20.5
Restructuring charges	34	51	1,926	2,190	32	35	82	116	
Changes in the consolidation perimeter	(62)	(110)	(144)	(159)	(26)	(50)	(69)	(87)	
Capital gains/losses on sale of assets	(189)	(376)	(767)	(768)	9	5	4	(26)	
Forex Impact	-	-	-	-	84	256	471	673	
Spectrum	(0)	4	1,446	1,483	-	3	3	143	
Others	-	-	-	445	25	171	954	983	
TELEFÓNICA ORGANIC	2,494	4,886	7,254	9,526	2,399	4,774	7,124	9,439	(0.9)

Note:

- **Organic growth:** Assumes constant exchange rates of 2019 (average in 2019). Considers constant perimeter of consolidation, does not include capital gains/losses from the sale of companies and assets sales (material), restructuring costs and other impacts (write-offs, material non-recurring impacts). In addition, excludes contribution to growth from T. Argentina and T. Venezuela and the results from Central America. CapEx excludes investments in spectrum.

TELEFÓNICA

RECONCILIATION OF REPORTED VS. UNDERLYING GROWTH

Unaudited figures (Euros in millions)

OIBDA	2019				2020				%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
TELEFÓNICA									
REPORTED DATA	4,264	8,702	11,450	15,119	3,760	7,075	9,747	13,498	(10.7)
Restructuring charges	35	51	1,927	2,193	33	35	82	115	
Capital gains/losses on sale of assets	(189)	(376)	(767)	(768)	9	5	4	(25)	
Others	-	(8)	2	438	-	116	917	894	
TELEFÓNICA UNDERLYING	4,109	8,368	12,611	16,982	3,802	7,232	10,749	14,481	(14.7)

NET INCOME	2019				2020				%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
TELEFÓNICA									
REPORTED DATA	926	1,787	1,344	1,142	406	831	671	1,582	38.5
Restructuring charges	25	37	1,438	1,631	24	26	59	83	
Capital gains/losses on sale of assets	(165)	(228)	(495)	(508)	6	4	2	(27)	
Others	100	186	300	1,309	182	457	1,320	1,449	
TELEFÓNICA UNDERLYING	885	1,782	2,588	3,574	619	1,318	2,052	3,086	(13.7)

Notes:

- **Underlying growth** : Excludes capital gains/losses from the sale of companies and assets sales (material), restructuring costs and other impacts (write-offs, material non-recurring impacts and amortisation charges from purchase price allocation processes).