

Telefónica

Results

January – June 2015



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Highlights; Q2 accelerating the new growth cycle

1 Robust performance improving; Reinforcing trends

- **Solid growth in main metrics** (Q2 y-o-y): Revenues (+12.4%), OIBDA (+6.8%), Net Income (+70.4%)
- **Accelerating organic revenue growth to +4.4% in Q2 (from +3.3% in Q1)**
- **Ramping-up organic OIBDA growth to +3.3% in Q2 (from +2.4% in Q1)**
- **Outstanding EPS:** €0.37 in Q2; €0.75 in H1
- **Continuously investing in UBB networks** (Capex: +12.6% y-o-y organic up to June)
- **Significant OpCF improvement in Q2**, limiting its organic decline to 0.4%

2 Net financial debt up to €51.2Bn on seasonal and non-recurrent factors; Rating agencies improving outlooks

- **Leverage** (2.38x as of Jun-15 post O2 UK sale) **to come down further throughout the year** (target <2.35x)
- **Robust FCF pre-spectrum accrued** (€1.4Bn up to June); Securing quality spectrum

3 Improved competitive position through strategic investments

- **12.5m premises passed with FTTH in Spain; 67% LTE coverage in Europe; 35% in LatAm**
- **Delivering on integration synergies:** Germany already bearing fruit; Brazil upside potential
- **Digital+:** new offer launched; acquisition of exclusive rights for 2015/16 La Liga; Position to drive Pay TV growth

4 2015 guidance upgraded

Financial summary

€ in millions	H1 15			Q2 15		
	Reported	Reported y-o-y	Organic y-o-y	Reported	Reported y-o-y	Organic y-o-y
Revenues	23,419	12.5%	3.9%	11,876	12.4%	4.4%
OIBDA	7,320	7.2%	2.9%	3,702	6.8%	3.3%
OIBDA Margin	31.3%	(1.5 p.p.)	(0.3 p.p.)	31.2%	(1.6 p.p.)	(0.3 p.p.)
OpCF (ex-spectrum)	3,815	(3.5%)	(4.7%)	1,717	(1.6%)	(0.4%)
Net Income	3,693	105.4%		1,891	70.4%	
EPS	0.75	100.9%		0.37	62.1%	
FCF	(194)	c.s.		(557)	c.s.	
FCF pre-spectrum accrued	1,395	(21.0%)		871	(32.5%)	
Net Financial Debt	51,238	13.7%		51,238	13.7%	
ND/OIBDA (post-O2 UK sale)	2.38x			2.38x		

Q2 results impacted by the following factors

- **Adjustment in Venezuela to SIMADI 197VZ/\$ (from 52 VZ/\$)**
 - ▶ Revenue: -€397m; OIBDA: -€90m; Net income: -€364m; Debt: +€289m
 - ▶ Venezuela contribution reduced to 0.6% in Revenues and 0.4% in OIBDA in H1
- **Positive taxes** (large tax credits activation)
- **Divestment in TI** (+€380m in financial results)
- **Net debt increase:**
 - ▶ Seasonal: Shareholder remuneration (+€2.2Bn)
 - ▶ Non-recurrent: Telco Demerger (+€0.7Bn); GVT acq. (+€0.5Bn; net of right issue); DTS (+€0.9bn); German spectrum (+€1.2Bn)

Upgrading year-end guidance

	Original Guidance 2015 (Feb-15)	UPGRADED GUIDANCE 2015 (Jul-15)	H1 15 (Feb-15 criteria)
Revenues	Growth >7%	Growth >9.5%	9.4%
OIBDA margin	Limited erosion of around 1 p.p. y-o-y (to allow for commercial flexibility if needed)	Limited erosion of around 1.2 p.p. y-o-y (to allow for commercial flexibility if needed)	-0.9 p.p.
CapEx/Sales	Around 17%	Around 17%	14.8%

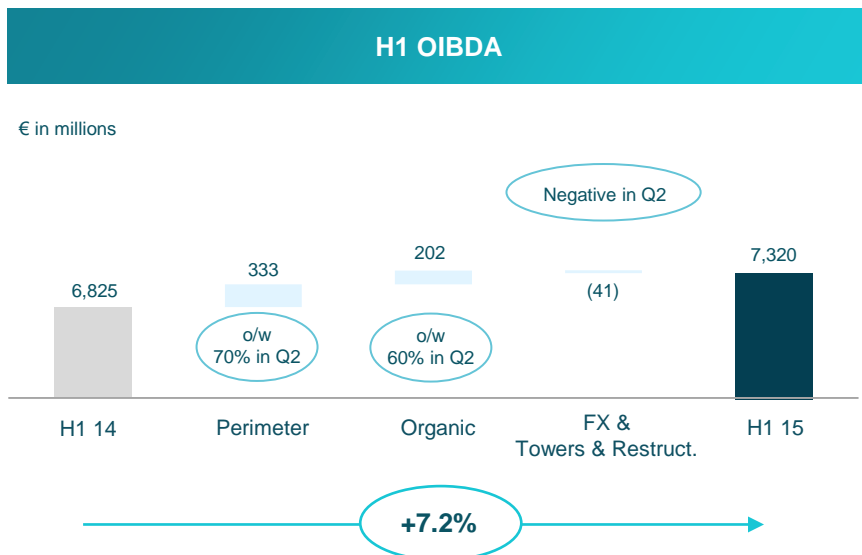
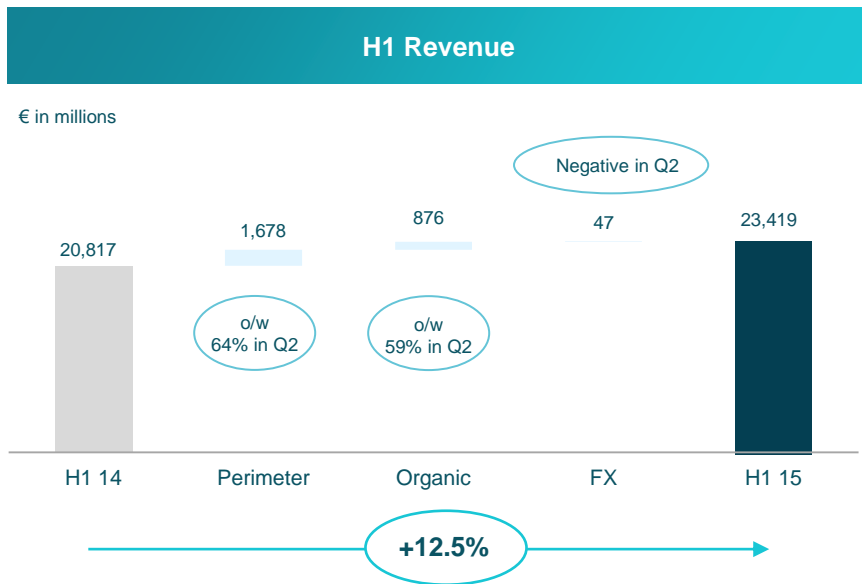
GUIDANCE CRITERIA 2015:

- **Upgraded** (Jul-15): Constant FX 2014; ex-UK; ex-VZ; incl. 12M E-Plus, 8M GVT, 8M DTS
- **Previous** (Feb-15): Constant FX 2014; ex-UK; ex-VZ; incl. 12M E-Plus, 6M GVT, 0M DTS

- Perimeter changes contributing:
- **+1.8 p.p. in Revenues**
 - **-0.3 p.p. in OIBDA margin**

July 2015 (Q2 15 results)	UNCHANGED GUIDANCE 2015	H1 15
Net Debt/OIBDA (adjusted for O2 UK sale)	<2.35x	2.38x (2.35x ex-M&A)
Dividend	€0.75/sh. • €0.35/sh. voluntary scrip Q4 15 • €0.40/sh. Cash Q2 16	Voluntary scrip approved in AGM
Share buyback: % share capital cancelled (treasury)	1.5%	Already executed

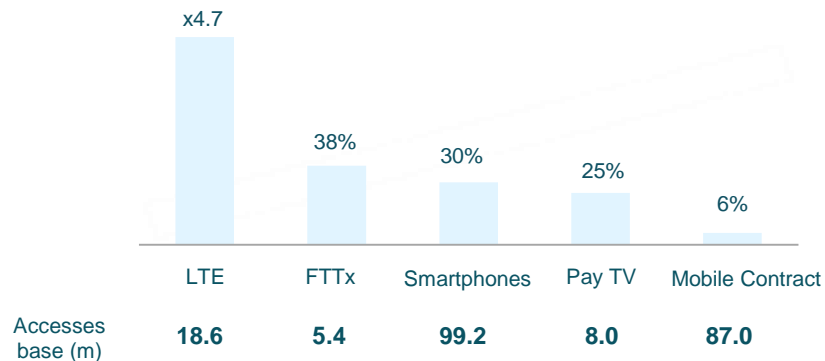
Perimeter and organic performance accelerating in Q2



- **Changes in the perimeter: Increasing positive effect**
 - ▶ GVT + DTS consolidated since 1 May
 - ▶ Revenue Q2: +10.2 p.p. to y-o-y change (H1: +8.1 p.p.)
 - ▶ OIBDA Q2: +6.7 p.p. to y-o-y change (H1: +4.9 p.p.)
- **Movement from SICAD to SIMADI in Q2 changing positive contribution of FX in Q1**
 - ▶ Revenue Q2 -2.7 p.p. to y-o-y change (H1: +0.2 p.p.)
 - ▶ OIBDA: Q2 -2.7 p.p. to y-o-y change (H1: -0.2 p.p.)
- **Consistent improvement in organic trends**

Improved revenue trends on higher quality customers

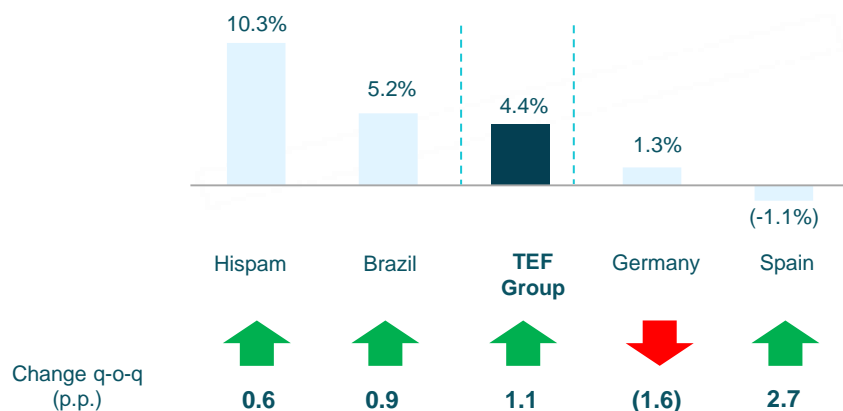
Accesses growth (June organic y-o-y; except LTE)



Strong customers KPIs

- **Increasing customer value**
 - ▶ Avg. Rev/Access ramping up to +1.5% (Q2 y-o-y organic)
 - ▶ Continued churn reduction across services
- **Total accesses 329m; +3% y-o-y organic**
- **GVT+DTS strengthening high value portfolio**
 - ▶ GVT: 8.5m (fixed 4.3m; FTTx 3.2m; Pay TV 1.0m)
 - ▶ DTS: 1.4m Pay TV

Q2 Revenue (organic growth y-o-y)

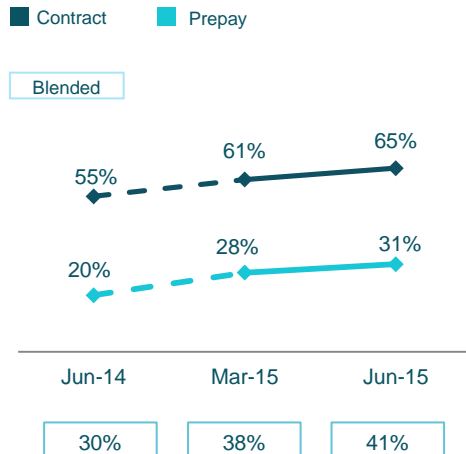


Sequential acceleration of revenue growth (110 bps)

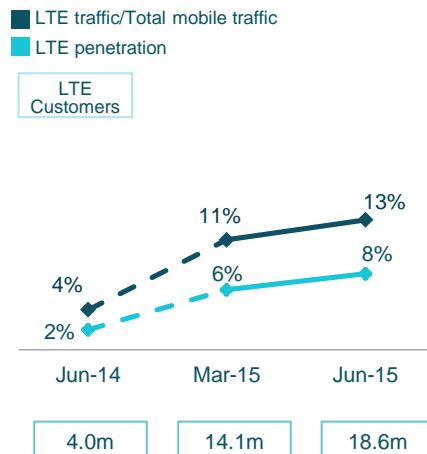
- **All business contributing to better performance in Q2, except Germany**
 - ▶ Spain progressing well towards revenue growth
 - ▶ Brazil growing solidly in the mid-single digit territory
- **Mobile data boosting Q2 y-o-y organic growth**
- 66% o/total revs coming from Spain, Brazil and Germany
- **Positively evolving rev. mix**
 - ▶ Towards fixed & mobile data and Services over Connectivity

Mobile data monetisation fostering growth

Smartphone penetration



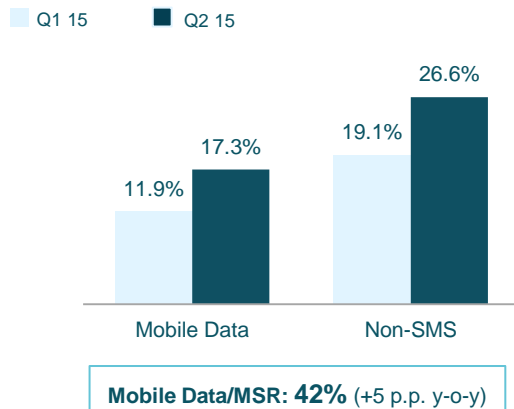
LTE



Encouraging data dynamics

- **LTE accelerating**
 - ▶ LTE usage 60% higher vs 3G
 - ▶ Strong potential from low penetration
- Q2 Avg. usage per smartphone +30% y-o-y (556 MB/month)
- **Strong data potential in HispAm**
 - ▶ Smartphone penetration at 33% (+9 p.p. y-o-y) vs. 55% in Europe
 - ▶ Most subscribers using currently data on non-recurrent basis

Mobile data revenue (y-o-y organic)



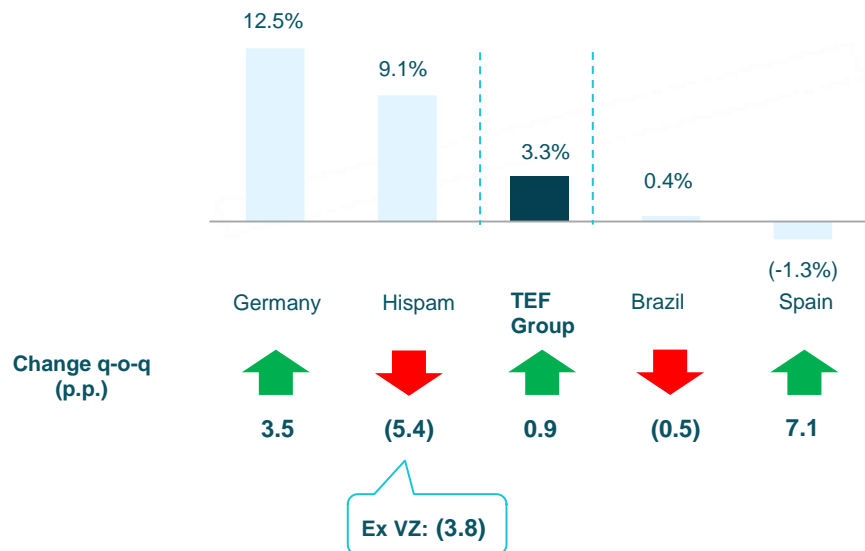
Non-SMS/Mobile Data:
82% (+6 p.p. y-o-y)

Monetising traffic growth

- **Data beyond allowance**
 - ▶ Adding ~1 p.p. to Q2 organic revenue y-o-y
 - ▶ “Bundle Breakage”: 30% clients; of which >40% buy extra data product
 - ▶ New extra-data mechanisms paying off (Brazil -hard stop-; Germany and Spain -automatic data charge-)
- **Double digit LTE ARPU uplift**
- **Commercial propositions transformation** to meet demand
 - ▶ Actively bundling content to drive data usage up

Positive and solid growth in OIBDA; margin stabilising

Q2 OIBDA (organic y-o-y)

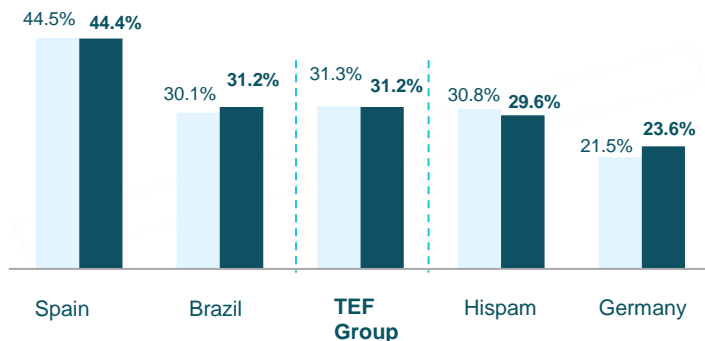


Q2 OIBDA accelerating 90 bps from Q1 to +3.3% y-o-y organic

- **Spain and Germany explain improved performance:**
 - ▶ Spain: Revenues keep improving + lower commercial activity
 - ▶ Germany: Synergies realisation + new value customer model
- **Germany & Hispam** main growth drivers y-o-y
- **Synergies execution & simplification program on track**
- **Stable margin at 31% in Q2** (-0.3 p.p. y-o-y organic)

Q2 OIBDA Margin

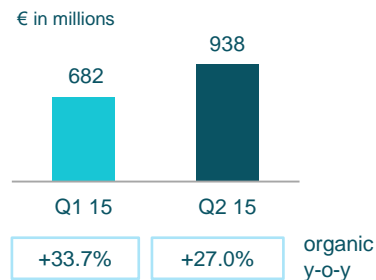
■ Q1 15 ■ Q2 15



Digital services: Solid growth with Video at the core

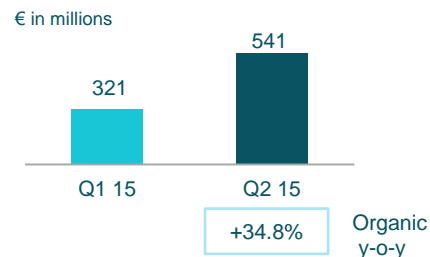
Video:
Enhanced scale and know-how with DTS

Digital Services Revenue



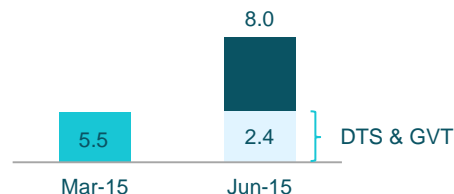
Other Digital Services:
Increasing the value of connectivity and growth potential

Video Revenue



- **A new unique TV offer in Spain** (launched in July)
 - ▶ Strengthened key lever to foster ARPU and customer loyalty
 - ✓ Differential content (Sport, Films, Series, Football) & functionalities (7 days' playback, DVR in cloud)
 - ✓ Multi-device (premium OTT platform)
 - ✓ Best technology and coverage: 4G, fibre, satellite
 - ▶ Wholesale TV offer already available
- **Accelerating video rev growth** in Q2 (ex-DTS)
 - ▶ Continued strong performance in Brazil & Hispam

Pay TV Accesses (m)



Security: partnering to build quality VAS

€71m; +28.0% (Q2 y-o-y organic)

Verisure - Pioneer 5P offer in Spain
McAfee - new service in Peru & Argentina

M2M: innovating to digitalise

€39m; +0.2% (Q2 y-o-y organic)

"Smart Patrimonio" – monitor heritage sites

Cloud: a fully-fledged digital telco

€108m; +36.3% (Q2 y-o-y organic)

Reaping the **benefits from Cloud infrastructure investments** (platforms, Virtual Data Centres)

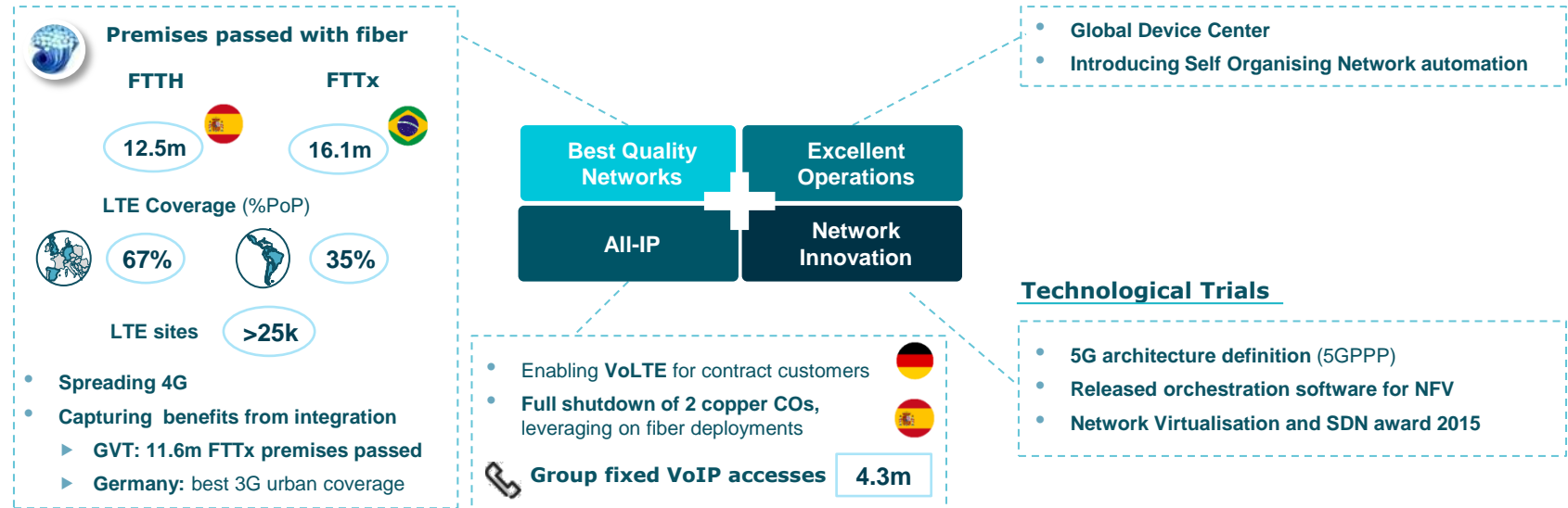
Driving further smartphones / LTE devices uptake

83% of Q2 purchased devices were *smartphones* (+9 p.p. y-o-y)

TGR: More technological and leaner Digital Telco

Differential network experience leveraged on new technologies

UBB (Jun-15)



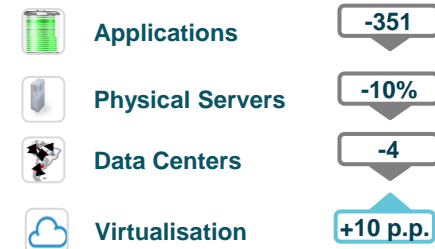
IT: Business transformation & simplification

Supporting Business Transformation

- Full Stack projects progressing in-line with targets
- Brazil: Full Stack reviewed and aligned with GVT
- Germany: VDSL upgrade for existing customers
- Spain: Customer channel renovation
- Chile: Real Time Decision project



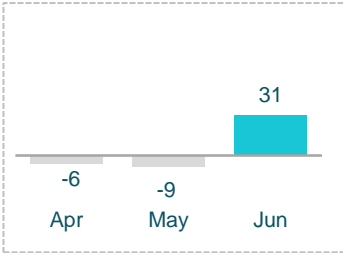
Simplification (y-o-y organic)



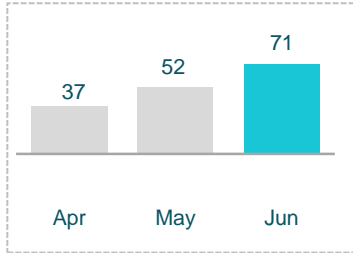
Spain: Q2 atypical trading; normalised from June

25% of Group revenue

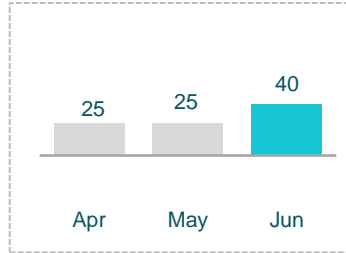
Mobile contract net adds ('000)



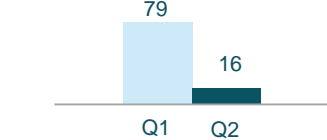
FTTH net adds ('000)



Pay TV net adds ('000)



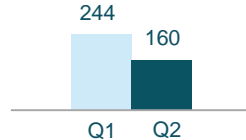
Gross adds q-o-q (15%)



QoQ churn (p.p.) (-0.1)

Q2 churn (1.4%)

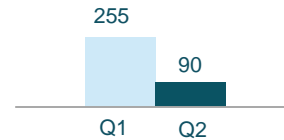
Gross adds q-o-q (23%)



QoQ churn (p.p.) (+0.3)

Q2 churn (1.1%)

Gross adds q-o-q (41%)



QoQ churn (p.p.) (+0.5)

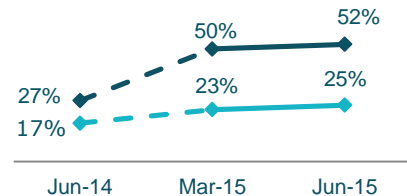
Q2 churn (1.4%)

Slowdown in commercial activity

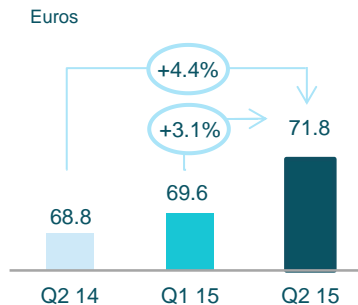
- **Outsourced workers strike** (installers)
 - ▶ Strong decline in gross adds (April & mid May)
- **Tariff update & commitment removal**
 - ▶ Churn upturn in fixed services (FBB & TV) in April & May
- **June commercial activity recovered**
 - ▶ Both gross adds & churn improved vs Apr/May

High value in "Fusión"

◆ IPTV ◆ Fiber UBB



"Fusión" ARPU



ARPU uplift across services

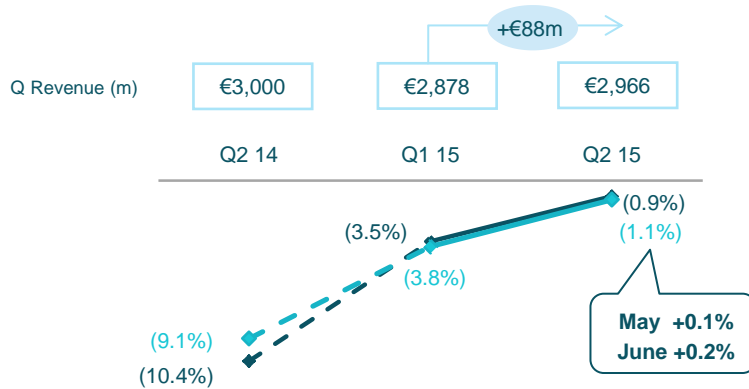
- **Increased penetration in high-value**
 - ▶ 87% gross adds in "Fusión" add new services in Q2
- **Strengthening position to further upsell**
 - ▶ Appealing TV offering: "Movistar+" launched in July
 - ▶ 12.5m premises covered with FTTH
 - ▶ LTE coverage: ~62% pop. after 800 MHz release

Spain: Revenues stable from May

25% of Group revenue

Revenue

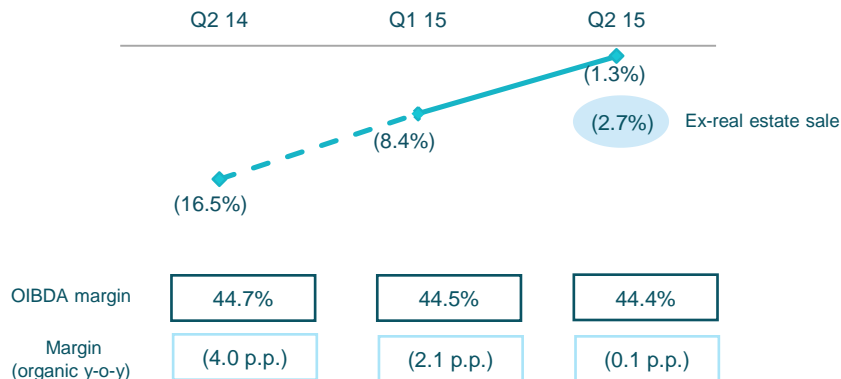
- ◆ Total Revenue (y-o-y)
- ◆ Ex-handset sales (y-o-y)



Successful upselling & upbeat commercial proposition

- **Revenue stable for 2 months in a row** (first y-o-y stabilisation since Dec-09)
 - ▶ +2.7 p.p. q-o-q improvement in revenue evolution in Q2
- **Supportive tailwinds**
 - ▶ Low churn levels
 - ▶ Full impact from tariff update in H2 15
 - ▶ Strongest offering (300 Mb; Premium TV; LTE)

OIBDA (organic y-o-y)



Material OIBDA improvement geared on revenue performance

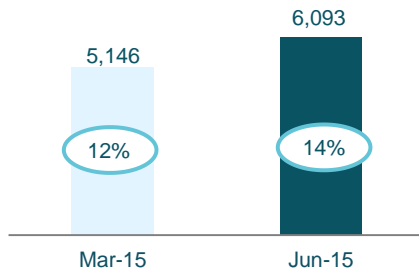
- **High profitability, top on the sector**
- **Q2 OpEx flat** (-0.1% y-o-y; +1.3 p.p. improvement vs Q1) on:
 - ▶ Low commercial activity and stable content cost q-o-q
 - ▶ Higher subsidies in Q2 amid tariff update
- **Q2 real estate sale** (€19m)

Germany: Good momentum; mobile data strategy

16% of Group revenue

LTE customers ('000)

LTE penetration



LTE coverage

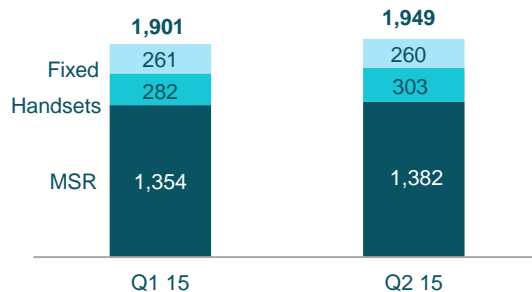
70% at Jun-15
75% target by YE

Smartphone penetration

50%

51%

Revenue structure (€ in millions)



Y-o-y organic

+2.9%

+1.3%

Data take-up

- **Mobile base: 42.6m** (+2% y-o-y organic)
- **Contract net adds** at 201k in Q2 (Q1 15: 141k)
 - ▶ Solid business and partner segments
 - ▶ Focus on retaining retail customers; improving churn
- **Strong progress on mobile data monetisation**
 - ▶ 35% new "O2 Blue All-in" customers take >1 Gb tariff
 - ▶ 34% automatic data extensions (opted-in "O2 Blue All-in clients")

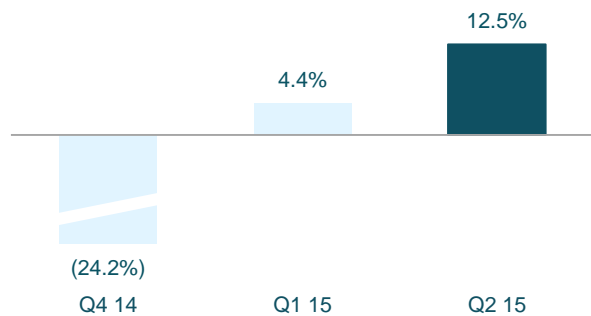
Top line up 2.1% organic vs. H1 14

- **H1 15 MSR** grew +0.8% y-o-y (Q2: +0.2%)
 - ▶ 2/3 of MSR sequential deceleration on lower trading in high-value
 - ▶ Data revenue at 51% of MSR (+0.4 p.p. y-o-y)
- **Improved trends in fixed revs** (Q2: -9.5% y-o-y; +1.4 p.p. vs Q1)
- Handset sales remained strong (Q2: +18.7% y-o-y; Q1: +28.8%)

Germany: Strong profitability; delivering on synergies

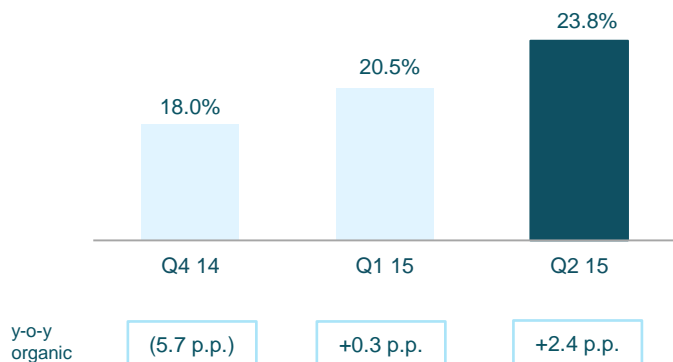
OIBDA (y-o-y)

Organic ex non-recurrent items



OIBDA margin

Organic ex non-recurrent items



Accelerating profitability

- **Ramp-up in OIBDA growth**
- **Solid Q2 OIBDA margin**
 - ▶ >40% of Q2 15 OIBDA expansion on early synergy benefits
 - ▶ Commercial approach based on retention of high-value
 - ▶ Positive hardware margin in Q2 15
- **H1 15 OpCF +12.5%** y-o-y organic ex non-recurrent items
- Strong spectrum portfolio (post Jun-15 auction)

Early integration benefits starting to flow

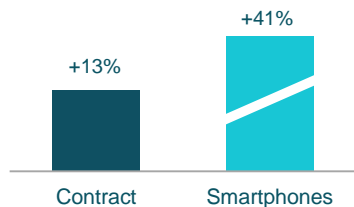
- **Confirmed synergy target for 2015: €250m OpCF** (30% of run-rate¹)
- **Headcount restructuring**
 - ▶ 750 FTEs signed leaver program; in-line with FY 15 target
- **Distribution network consolidation**
 - ▶ Transfer of 301 shops to Drillisch incl. 300 FTEs
 - ▶ Decommission plan for >100 by year end
- **Agreement to transfer 7,700 sites to DT**

(1) Run-rate: Approx. €800m run-rate OpCF synergies from year 5 of integration onwards

Brazil: GVT reinforces quality & value

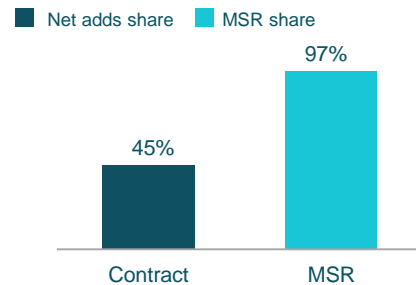
25% of Group revenue

Mobile accesses (Jun-15 y-o-y)



Capturing the value of the market

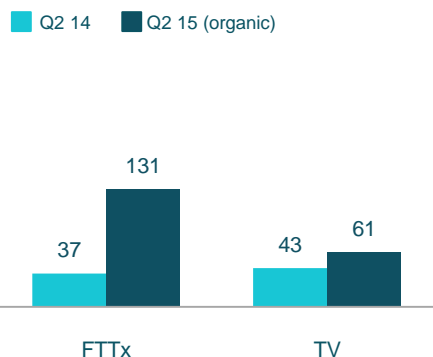
Last 12 months



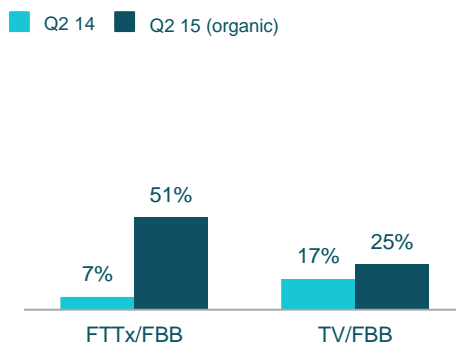
Capturing almost all mobile market growth

- **New quarterly record in contract gross adds (1.9m)**
- **Outgoing ARPU +4.8% y-o-y in Q2**
 - ▶ Penetration y-o-y: 36% contract (+3 p.p.); 43% smartphone (+12 p.p.); 7% LTE (+5 p.p.)
 - ▶ Growing volumes in Q2 15 y-o-y: data traffic +42%; voice +7%
- **Strengthened market leadership**
 - ▶ Contract share 41.7% (+0.4 p.p. vs Jun-14)

Fixed net adds ('000)



High-value fixed accesses



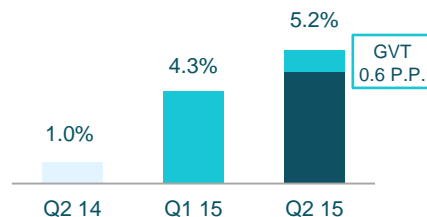
GVT to fully complement high-quality strategy

- **Positive signs of fiber & video transformation**
 - ▶ Superior Fixed UBB market share (57% >12Mbps in May)
 - ▶ Capturing 93% of H1 market pay TV net adds
 - ▶ FTTx premises passed 16.1m at Jun-15 (4.6m FTTH exc. GVT); gradually increasing take up ratio (3.6m HH connected)
 - ▶ Further coverage expansion: 10 cities in the short term + 20 additional identified for the next 3 years

Brazil: Improving growth profile

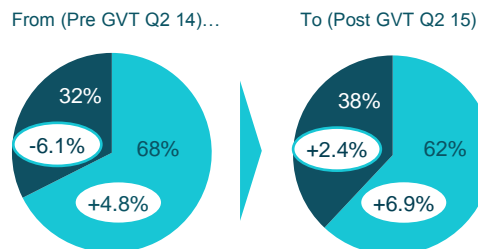
25% of Group revenue

Revenue (organic y-o-y)

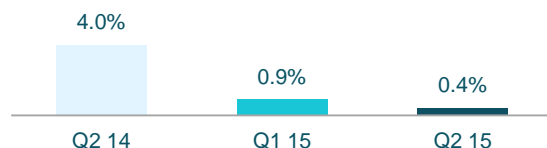


Revenue composition

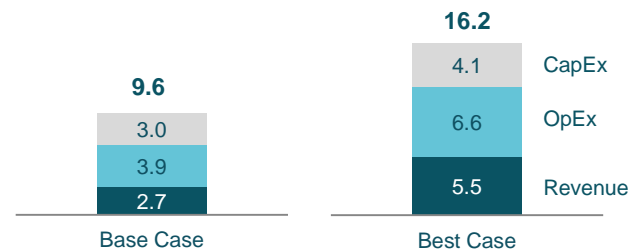
■ Fixed ■ Mobile ○ Organic y-o-y



OIBDA organic (y-o-y)



Operational Synergies (R\$bn)



Solid revenue & OIBDA performance

- **Strong MSR growth +5.7% y-o-y in Q2 (+8.7% ex-regulation):**
 - ▶ Non-SMS data rev acceleration to +44.0% y-o-y in Q2
 - ▶ Data revs/MSR: 43% (+9 p.p. y-o-y)
- **Enhanced fixed business y-o-y trend:**
 - ▶ Strong recovery ex GVT (-0.3% y-o-y in Q2; -4.0% in Q1)
 - ▶ Positive contribution of GVT (+2.7 p.p. to y-o-y in Q2)
- Negative impact from regulation (revs -2.8 p.p. Q2; -3.0 p.p. H1)
- Revenue growth flowing into **positive OIBDA performance**
 - ▶ Commercial expenses up on higher weight of smartphones & LTE devices
 - ▶ Macro impact on higher bad debt and energy costs

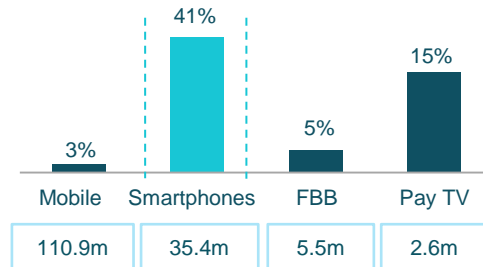
Synergies upside potential

- Following the completion of GVT transaction synergies base case is confirmed while **pointing out to upside potential** on
 - ▶ Revenue: 3P portfolio integration & cross selling potential revision
 - ▶ OpEx: New operational and customer care model; G&A expenses reduction, organisation redesign
 - ▶ CapEx: New assumptions & further procurement gains in Network & IT
 - ▶ Financial & taxes synergies best case R\$5.9bn (base case R\$4.5bn)

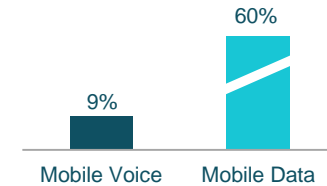
Hispam: Balanced revenue and OIBDA growth

30% of Group revenue

Accesses (Jun-15 y-o-y)



Traffic (Q2 15 y-o-y)

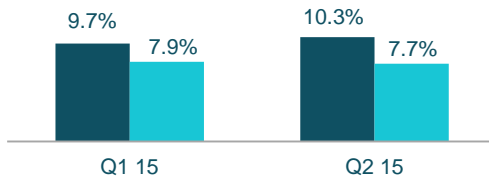


Mix of accesses & traffic increase driving ARPU growth

- LTE already available in all countries except Nicaragua & El Salvador
- FBB penetration at 42% of fixed accesses (+3 p.p. y-o-y)
- Pay TV/Fixed accesses still at 20% (+3 p.p. y-o-y)

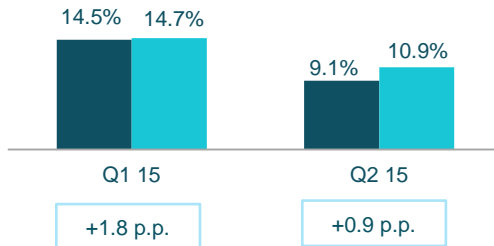
Revenue (organic y-o-y)

■ Hispam ■ Hispam ex-Venezuela



OIBDA (organic y-o-y)

■ Hispam ■ Hispam ex-Venezuela



OIBDA margin ex-VZ (organic y-o-y)

6th consecutive Q of margin expansion (organic y-o-y; ex-VZ)

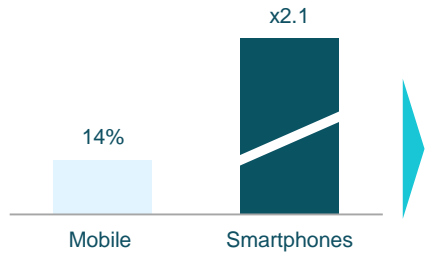
Double digit organic OIBDA growth (Q2 ex VZ)

- Data revenues main revenue driver in Q2
 - ▶ Data revs/MSR: 37%; Smartphone penetration still at 33%
 - ▶ Non-SMS data +45.7% y-o-y; 85% of data revs
- FBB & new services revenues accelerating y-o-y growth
 - ▶ +17.3% in Q2; 64% o/total fixed revs
- Ongoing margin y-o-y improvement (ex VZ):
 - ▶ Main contributors: Mexico (+5.7 p.p.), Argentina (+3.7 p.p.), Colombia (+3.0 p.p.) and Chile (+0.8 p.p.)

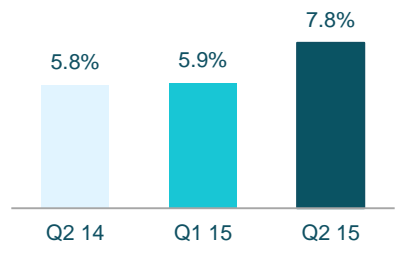
Mexico: Gaining market share; improving profitability

4% of Group revenue

Accesses (Jun-15 y-o-y)



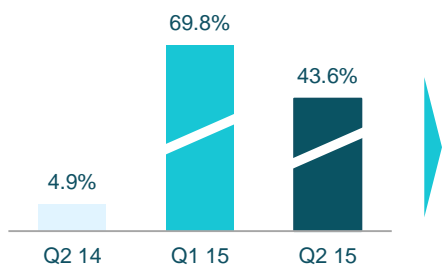
Revenue (y-o-y organic)



Strong commercial activity accelerating revenue growth

- **Record gross adds for a Q2 (2.8m; +8% y-o-y)**
 - ▶ New contract & prepay plan “Bye Roaming” for travellers to US from June
- **Revenue growth ramping-up** on robust accesses & higher traffic volumes
 - ▶ Voice traffic +11% y-o-y in Q2; Data traffic +74%
 - ▶ MTRs reduction dragging growth by 2.7 p.p y-o-y.

OIBDA (y-o-y organic)



Q2 OIBDA Margin
22.9% (+5.7 p.p. y-o-y)

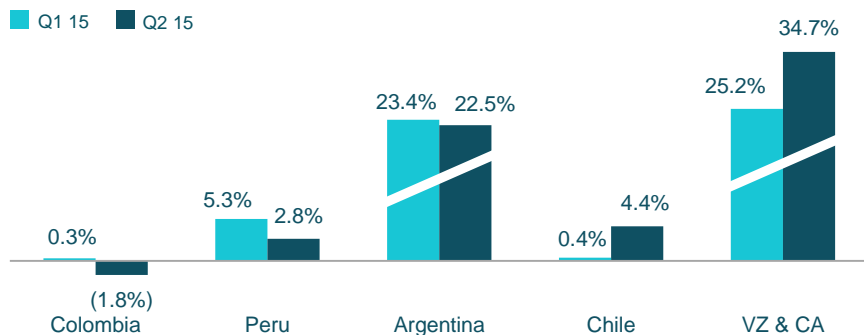
Strong profitability expansion

- **Continued strong OIBDA vs Q2 14:**
 - ▶ Economies of scale mainly visible in lower unit costs (commercial, network & system)
 - ▶ Benefits of new regulatory framework on MTRs asymmetry (Q2 y-o-y comps reflecting first step of decline from Apr-14)
 - ▶ Efficiency measures

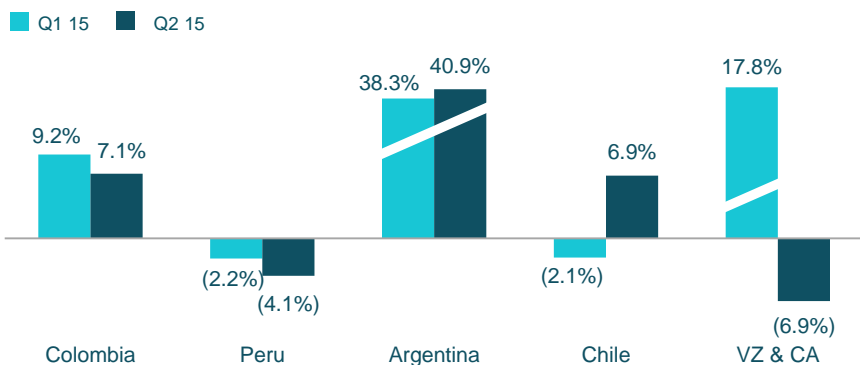
Rest of Hispam: Solid Q2 performance

27% of Group revenue

Revenue (organic y-o-y)



OIBDA (organic y-o-y)



Q2 OIBDA margin (organic y-o-y)



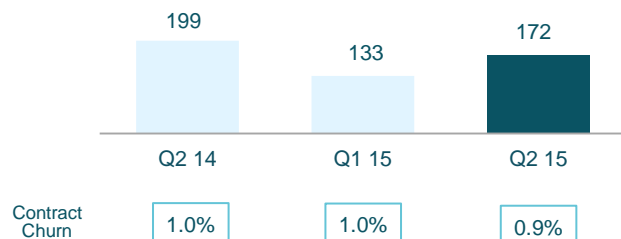
Gaining revenue market share

- Colombia:**
 - Better commercial trading with positive contract net adds and booming penetration of smartphones & LTE
 - Solid OIBDA growth & margin expansion
- Peru:**
 - Strong commercial traction (contract mobile +11% y-o-y; FBB +7%; Pay TV +23%) amid highly competitive environment
 - Revenue y-o-y severely affected by MTRs reduction (-46%) from 1 April (-2.1 p.p. in Q2 15)
- Argentina:**
 - Increased y-o-y quarterly margin to 26.8% amid high inflation
 - New spectrum secured in Q2: 700MHz for 4G services
- Chile:**
 - Strong uptake of 4G services; record high FBB net adds
 - Highest revenue y-o-y growth since Q1 12 amid profitability expansion
- Venezuela & Central America:**
 - Results in VZ affected by conversion to SIMADI
 - Strong traffic volumes & higher commercial activity on handsets availability

UK: Maintaining outperformance; strong financials

Consolidated as discontinued operation

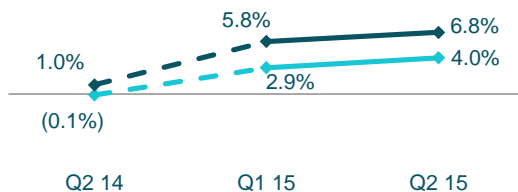
Mobile contract net adds ('000)



Revenues (y-o-y ex "O2 Refresh")

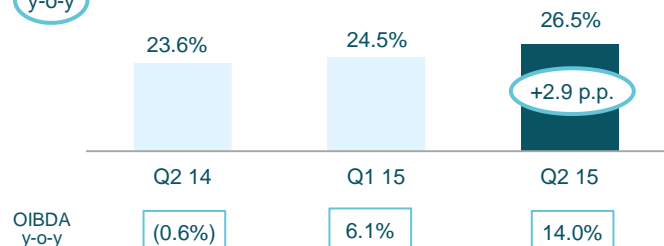
From Q1 15 new perimeter

◆ Revenue ◆ MSR



OIBDA margin

y-o-y



Strong commercial activity

- **Sustained net adds** over last two and a half years
 - ▶ Outperforming the market: H1 total and contract net adds
 - ▶ +4% mobile base y-o-y to 24.8m
 - ▶ Continued popularity of high-end smartphones
 - LTE penetration: 26% (+16 p.p. y-o-y)
 - LTE net adds at 864k in Q2 (Q1: 784k)
- **Record low contract churn** driven by strength of customer service
- **LTE roll-out** (73% outdoor coverage at Jun-15)

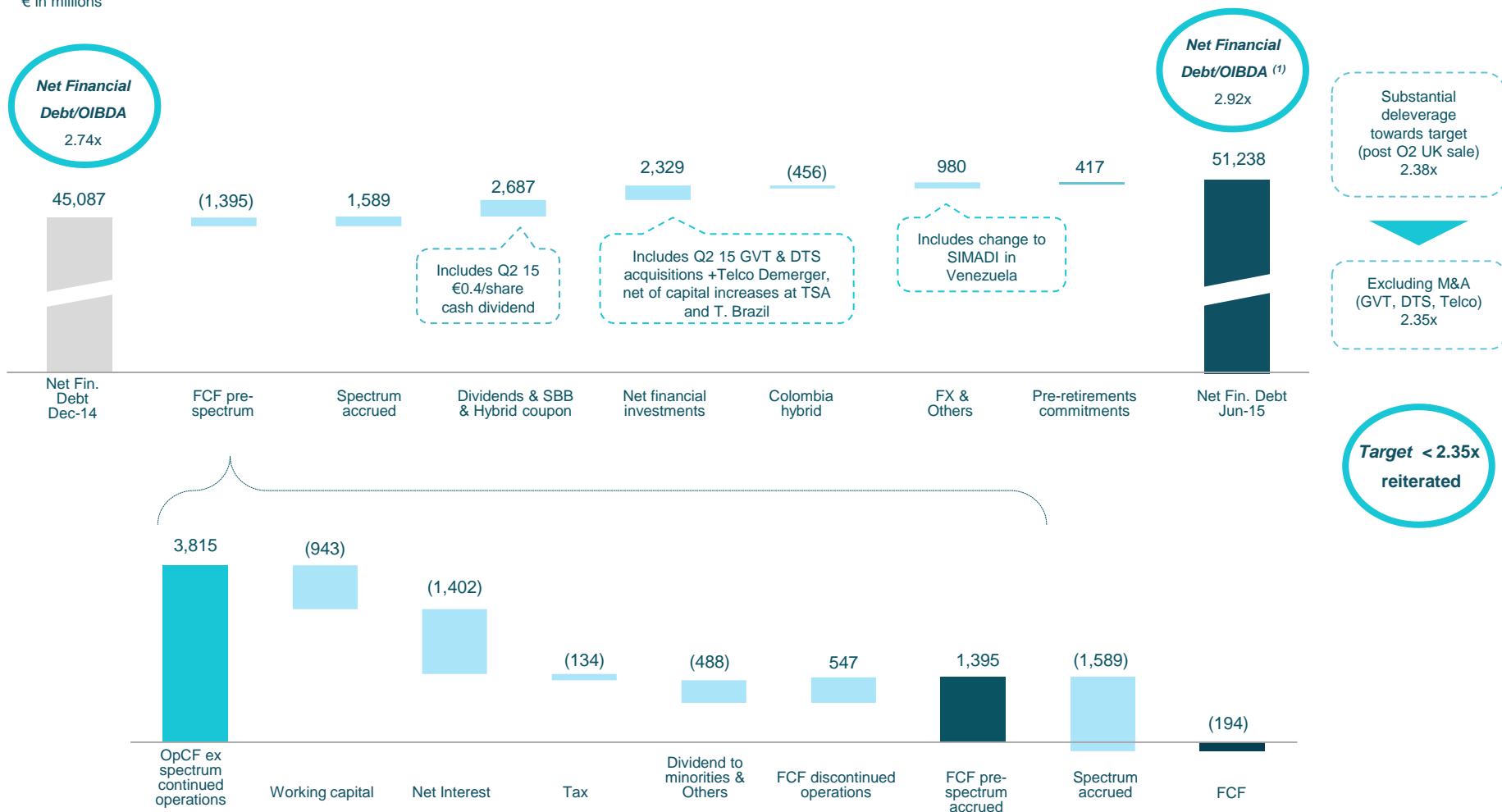
Outstanding profitability

- **Top-line up** 1.6% y-o-y in Q2
 - ▶ ARPU inflection through demand for higher-value tariffs
 - Stabilisation of ARPU ex "O2 Refresh" (Q2:-0.8% y-o-y)
- **Tight cost control**
 - ▶ Savings in marketing and commercial overheads
 - ▶ "O2 Refresh" deducted 0.6 p.p. of OIBDA margin

Leverage to improve in H2 15

Net Financial Debt

€ in millions



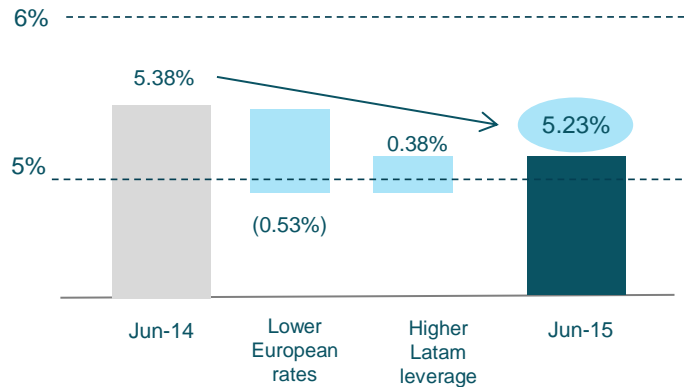
(1) OIBDA 12 month rolling, not considering O2 UK discontinuation, incorporating E-Plus' OIBDA corresponding to Jul-Sep 2014 as well as DTS' and GVT's OIBDA corresponding to July14-April15, and excluding the non-recurring impact from restructuring costs in 2014.

Improving financial cost

Effective interest cost: 15 b.p. lower y-o-y

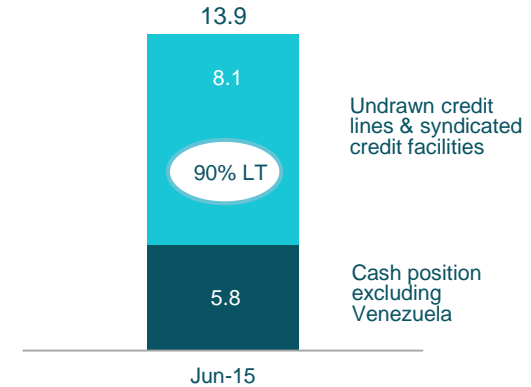
12 month rolling Ex FX and TI divestment

----- Guidance



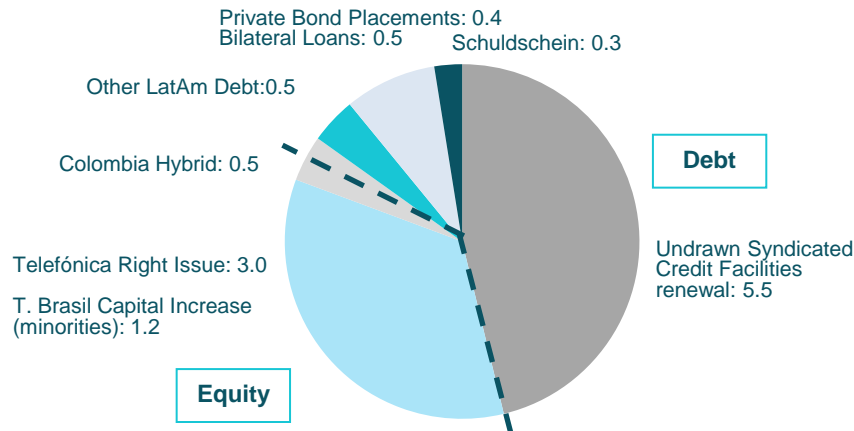
Liquidity position (Jun-15)

€ in billions



Long-term financing (€11.9bn YTD)

€ in billions



Rating actions

Improved rating outlook by three rating agencies in H1

- ▶ Fitch (BBB+) and Moody's (Baa2) placing Stable Outlook
- ▶ S&P's (BBB) Positive Outlook

Summary

Executing according to plan: delivering sustainable profitable growth

- 1 Q2 organic growth accelerated: Revenue & OIBDA
- 2 Strong uptake in fiber, smartphones (LTE) and Pay TV
- 3 Significant synergies to be unlocked on restructured portfolio
- 4 Focus on technology leadership and best customer experience
- 5 Balance sheet strength post O2 UK divestment; full financial flexibility
- 6 2015 guidance upgraded

Q2 ACCELERATING THE NEW GROWTH CYCLE

Telefonica

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