



JANUARY - DECEMBER 2015 RESULTS

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DISCLAIMER

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

For comparative purposes, the quarterly data for 2014 consolidated income and free cash flow statements are reported adjusting the exchange rate in Venezuela from the previously denominated SICAD I to SICAD II 50 VEF/USD for the Telefónica Group, Hispanoamérica and Venezuela and Central America following the adoption of SICAD II 50 VEF/USD. The financial information for the fourth quarter of 2014 using the exchange rate in use at the time (SICAD II 50.00 VEF/USD), prepared under IFRS as adopted by the European Union, can be found in the tables "Addenda". The January-December 2015 consolidated financial statements use the exchange rate of the Venezuelan bolivar set at SIMADI (as of 31 December, this rate was set at 199 Venezuelan bolivars fuertes per dollar).

The consolidated statement of financial position for the year ended 31 December 2014, and for the first two quarters of 2015 has been restated to reflect the finalisation of the purchase price allocation of E-Plus, which was finalized in the third quarter of 2015.

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

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

The following Addenda are included: i) the detailed Income Statement and Accesses and Selected Operational information for Telefónica UK, reported as per the perimeter of discontinued operation, ii) the detailed Income Statements for Telefónica, Telefónica Hispanoamérica and Telefónica Venezuela and Central America prepared under IFRS using in October-December 2014 the exchange rate in use at the time (SICAD II 50.00 VEF/USD), iii) the detailed Income Statement for Telefónica España, including DTS in the consolidation perimeter from January 2015.

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TELEFÓNICA
SELECTED FINANCIAL DATA
Unaudited figures (Euros in millions)

	Jan - Dec	% Chg		Oct-Dec	% Chg	
	2015	Reported	Organic	2015	Reported	Organic
Revenues	47,219	8.7	4.0	11,881	(0.0)	3.3
Telefónica España (1)	12,402	3.2	(2.1)	3,220	6.0	(2.0)
Telefónica Deutschland (2)	7,888	42.9	1.2	2,059	2.0	2.0
Telefónica Brasil (3)	11,060	(1.5)	4.5	2,587	(9.2)	3.4
Telefónica Hispanoamerica	14,387	9.4	10.1	3,622	0.1	8.1
Other companies & eliminations	1,482	(3.0)		393	10.3	
Telefónica Ireland (4)	-	n.m.		-	n.m.	
OIBDA	11,414	(17.2)	3.6	401	(88.1)	3.8
Telefónica España (1)	2,336	(58.8)	(4.3)	(1,631)	c.s.	(7.5)
Telefónica Deutschland (2)	1,858	153.7	20.9	586	c.s.	35.5
Telefónica Brasil (3)	3,573	0.9	2.9	983	5.8	7.3
Telefónica Hispanoamerica	4,356	7.1	7.2	1,124	1.2	4.0
Other companies & eliminations	(710)	n.m.		(662)	n.m.	
Telefónica Ireland (4)	-	n.m.		-	n.m.	
OIBDA margin	24.2%	(7.5 p.p.)	(0.1 p.p.)	3.4%	(24.9 p.p.)	0.2 p.p.
Telefónica España (1)	18.8%	(28.3 p.p.)	(1.0 p.p.)	n.m.	c.s.	(2.4 p.p.)
Telefónica Deutschland (2)	23.6%	10.3 p.p.	3.8 p.p.	28.5%	30.4 p.p.	5.9 p.p.
Telefónica Brasil (3)	32.3%	0.8 p.p.	(0.5 p.p.)	38.0%	5.4 p.p.	1.3 p.p.
Telefónica Hispanoamerica	30.3%	(0.6 p.p.)	(0.8 p.p.)	31.0%	0.3 p.p.	(1.3 p.p.)
Operating Income (OI)	2,897	(54.4)	3.7	(1,760)	c.s.	6.5
Net income	2,745	(8.5)		(1,832)	c.s.	
Basic earnings per share (euros)	0.51	(15.2)		(0.38)	c.s.	
Basic earnings per share from continuing operations (euros)	(0.02)	c.s.		(0.46)	c.s.	
CapEx	9,578	10.3	5.0	2,477	(34.2)	(2.0)
Telefónica España (1)	1,827	5.5	4.5	505	(7.4)	(7.6)
Telefónica Deutschland (2)	2,230	162.8	(11.1)	330	(24.6)	(25.0)
Telefónica Brasil (3)	2,105	(28.2)	(1.1)	604	(61.9)	(11.3)
Telefónica Hispanoamerica	3,060	7.7	17.2	857	(19.8)	18.2
Other companies & eliminations	356	9.6		180	42.8	
Telefónica Ireland (4)	-	n.m.		-	n.m.	
Spectrum	1,585	22.5	20.5	(2)	c.s.	(99.4)
Telefónica España (1)	49	n.m.	n.m.	-	n.m.	n.m.
Telefónica Deutschland (2)	1,198	n.m.	n.m.	2	n.m.	n.m.
Telefónica Brasil (3)	-	n.m.	n.m.	-	n.m.	n.m.
Telefónica Hispanoamerica	338	(16.7)	(23.5)	(4)	c.s.	(97.8)
OpCF (OIBDA-CapEx)	1,835	(64.0)	1.9	(2,076)	n.m.	17.6
Telefónica España (1)	509	(87.1)	(8.3)	(2,136)	c.s.	(7.5)
Telefónica Deutschland (2)	(372)	n.m.	126.2	256	c.s.	n.m.
Telefónica Brasil (3)	1,468	140.8	9.3	379	c.s.	61.1
Telefónica Hispanoamerica	1,296	5.7	(7.0)	267	n.m.	(30.7)
Other companies & eliminations	(1,066)	90.9			168.4	
Telefónica Ireland (4)	-	n.m.			n.m.	

Notes:

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

- The comparative figures for October-December 2014 have been modified with respect to those presented at the close of December 2014, solely for comparative purposes, due to the conversion to SICAD II 50 VEF/USD of those operations referenced to the Venezuelan bolivar in the first, second and third quarters of 2014. In the January-December 2015 period the consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the denominated SIMADI (as of 31 December 2015 this rate was set at 199 Venezuelan bolivars fuertes per dollar).

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

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

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

- OIBDA margin calculated as OIBDA over revenues.

(1) The reported figures have been adjusted including DTS in Telefónica España's consolidation perimeter since 1 May 2015. The reported figures up to September included DTS in Other Companies and Eliminations (Telefónica Group).

(2) E-Plus has been consolidated since 1 October 2014.

(3) GVT has been consolidated since 1 May 2015

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

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TELEFÓNICA

ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	283,012.7	285,331.4	285,237.0	309,800.5	312,635.8	323,021.6	320,924.3	316,188.7
Fixed telephony accesses (1)	37,382.1	37,326.1	37,103.9	36,602.0	36,219.8	40,164.5	39,976.9	39,487.7
Internet and data accesses	18,105.5	18,151.4	18,150.3	18,132.5	18,195.7	21,229.3	21,410.4	21,344.3
Broadband	17,569.1	17,625.9	17,640.2	17,649.3	17,704.7	20,754.8	20,946.3	20,950.3
Fibre	975.9	1,181.6	1,447.1	1,755.0	2,062.6	5,444.4	5,829.7	6,100.3
Mobile accesses	223,958.0	225,662.0	225,332.8	249,978.9	252,753.8	253,597.5	251,382.7	247,085.1
Prepay	150,854.2	150,750.4	149,877.0	164,959.2	166,813.7	166,636.1	162,876.8	157,283.7
Contract	73,103.9	74,911.6	75,455.7	85,019.6	85,940.1	86,961.4	88,506.0	89,801.4
M2M	6,269.0	6,665.1	6,841.4	7,595.5	8,029.0	8,447.4	8,760.1	9,142.4
Pay TV	3,567.1	4,191.9	4,650.0	5,087.2	5,466.5	8,030.3	8,154.3	8,271.6
Wholesale Accesses	6,327.7	6,438.6	6,585.6	6,521.6	6,475.7	6,401.0	6,271.7	6,062.8
Total Accesses	289,340.3	291,770.0	291,822.5	316,322.1	319,111.5	329,422.6	327,196.0	322,251.5

MOBILE ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Prepay percentage (%)	67.4%	66.8%	66.5%	66.0%	66.0%	65.7%	64.8%	63.7%
Contract percentage (%)	32.6%	33.2%	33.5%	34.0%	34.0%	34.3%	35.2%	36.3%
Smartphones ('000)	58,340.2	63,670.7	71,447.1	79,027.7	91,431.1	99,184.0	108,801.2	112,904.5
Prepay	25,660.8	29,208.1	35,349.2	36,539.6	46,368.5	51,139.4	56,510.6	58,547.6
Contract	32,679.4	34,462.6	36,097.9	42,488.1	45,062.5	48,044.6	52,290.6	54,356.9
Smartphone penetration (%)	27.7%	30.0%	33.7%	33.6%	38.3%	41.4%	45.9%	48.5%
Prepay (%)	17.2%	19.6%	23.8%	22.4%	28.0%	30.9%	35.0%	37.5%
Contract (%)	53.2%	54.8%	56.8%	59.2%	61.4%	64.8%	69.3%	71.0%
LTE smartphones ('000)	2,758.5	3,982.1	5,505.8	9,830.7	14,059.4	18,571.7	23,577.9	29,708.2
LTE penetration (%)	1.3%	1.8%	2.5%	4.1%	5.7%	7.6%	9.7%	12.5%

Notes:

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

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

(1) Includes fixed wireless and VoIP accesses.

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TELEFÓNICA
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	10,251	10,566	10,759	11,881	43,458	11,543	11,876	11,919	11,881	47,219
Internal exp. capitalized in fixed assets	142	150	161	199	651	170	189	190	234	784
Operating expenses	(7,124)	(7,353)	(7,395)	(8,912)	(30,783)	(8,185)	(8,425)	(8,434)	(12,089)	(37,132)
Supplies	(2,733)	(2,847)	(2,865)	(3,306)	(11,750)	(3,058)	(3,233)	(3,248)	(3,371)	(12,910)
Personnel expenses	(1,454)	(1,489)	(1,516)	(2,161)	(6,621)	(1,634)	(1,682)	(1,673)	(4,811)	(9,800)
Other operating expenses	(2,937)	(3,016)	(3,014)	(3,445)	(12,412)	(3,493)	(3,509)	(3,513)	(3,907)	(14,422)
Other net income (expense)	51	92	55	(9)	189	30	33	(11)	232	284
Gain (loss) on sale of fixed assets	39	10	12	208	269	61	28	29	158	275
Impairment of goodwill and other assets	0	1	(3)	(2)	(3)	(1)	0	0	(15)	(16)
Operating income before D&A (OIBDA)	3,359	3,467	3,590	3,365	13,781	3,618	3,702	3,693	401	11,414
OIBDA Margin	32.8%	32.8%	33.4%	28.3%	31.7%	31.3%	31.2%	31.0%	3.4%	24.2%
Depreciation and amortisation	(1,769)	(1,722)	(1,771)	(2,168)	(7,430)	(2,107)	(2,145)	(2,104)	(2,161)	(8,517)
Operating income (OI)	1,590	1,744	1,819	1,197	6,350	1,511	1,557	1,589	(1,760)	2,897
Share of profit (loss) of investments accounted for by the equity method	4	(58)	(7)	(437)	(498)	(3)	0	(1)	(1)	(5)
Net financial income (expense)	(678)	(555)	(696)	(849)	(2,779)	(644)	(485)	(767)	(684)	(2,581)
Profit before taxes from continuing operations	915	1,131	1,116	(89)	3,074	864	1,071	821	(2,445)	311
Corporate income tax	(284)	54	(290)	260	(260)	(385)	314	(255)	313	(13)
Profit for the period from continuing operations	632	1,185	826	171	2,814	479	1,385	566	(2,132)	298
Profit for the period from discontinued operations	93	88	154	104	439	1,304	537	347	394	2,582
Profit for the period	725	1,272	980	275	3,252	1,783	1,922	912	(1,738)	2,880
Non-controlling interests	(37)	(163)	(80)	28	(251)	19	(31)	(29)	(95)	(135)
Net Income	688	1,110	900	303	3,001	1,802	1,891	884	(1,832)	2,745
Weighted average number of ordinary shares outstanding during the period (millions)	4,720	4,687	4,677	4,667	4,714	4,753	4,973	5,003	4,974	4,928
Continuing operations earnings per share (euros)	0.12	0.21	0.15	0.03	0.50	0.09	0.26	0.09	(0.46)	(0.02)
Discontinued operations earnings per share (euros)	0.02	0.02	0.03	0.02	0.09	0.27	0.11	0.07	0.08	0.52
Basic earnings per share (euros)	0.14	0.23	0.18	0.05	0.60	0.37	0.37	0.16	(0.38)	0.51

Notes:

- The comparative figures for October-December 2014 have been modified with respect to those presented at the close of December 2014, solely for comparative purposes, due to the conversion to SICAD II 50 VEF/USD of those operations referenced to the Venezuelan bolivar in the first, second and third quarters of 2014. In the January-December 2015 period the consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the denominated SIMADI (as of 31 December 2015 this rate was set at 199 Venezuelan bolivars fuertes per dollar).
- From the first quarter of 2015 Telefónica UK's operations are reported as discontinued operations within the Telefónica Group and their assets and liabilities are classified as "held for sale", in compliance with the IFRS, as a result of the signing of the final sale agreement of the company in March 2015. For comparative purposes, 2014 results are reported using these same criteria.
- The weighted average number of ordinary shares outstanding during the period has been obtained applying the IAS rule 33 "Earnings per share". Thereby, the weighted average of shares held as treasury stock have not been taken into account as outstanding shares. On the other hand, the denominator is retrospectively adjusted for transactions that have changed the number of shares outstanding without a corresponding change in equity (as if such transactions had occurred at the beginning of the earliest period presented). For instance, the bonus share issue carried out to meet the scrip dividends paid in 2014 and 2015, has been taken into account. Also, the ordinary shares that would be issued upon the conversion of the mandatorily convertible notes issued on 24 September 2014 are included in the calculation of earnings per share from that date.
 - Continuing operations earnings per share is calculated dividing profit for the period from continuing operations including non-controlling interests, adjusted for the net coupon corresponding to "Other equity instruments", by the weighted average number of ordinary shares outstanding during the period.
 - Discontinued operations per share is calculated dividing profit for the period from discontinued operations by the weighted average number of ordinary shares outstanding during the period.
 - Basic earnings per share ratio is calculated dividing Net Income, adjusted for the net coupon corresponding to "Other equity instruments", by the weighted average number of ordinary shares outstanding during the period.
- 2014 and 2015 reported figures include hyperinflationary adjustments in Venezuela.
- Telefónica Group consolidated results consolidate GVT and DTS since 1 May 2015, consolidate E-Plus results from the fourth quarter 2014 and deconsolidate T. Ireland's results since the third quarter 2014.

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TELEFÓNICA
REVENUE BREAKDOWN
Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
T. ESPAÑA (1)	2,992	3,000	2,993	3,038	12,023	2,878	3,124	3,180	3,220	12,402
Mobile Business	1,155	1,144	1,118	1,138	4,556	1,024	1,108	1,089	1,117	4,337
Fixed Business (2)	2,079	2,105	2,134	2,225	8,543	2,120	2,342	2,414	2,483	9,359
T. DEUTSCHLAND (3)	1,122	1,162	1,219	2,019	5,522	1,901	1,949	1,979	2,059	7,888
T. BRASIL (4)	2,666	2,818	2,896	2,850	11,231	2,794	2,943	2,736	2,587	11,060
Mobile Business	1,783	1,904	1,971	1,960	7,617	1,942	1,831	1,606	1,526	6,905
Fixed Business (2)	883	914	926	890	3,613	852	1,112	1,130	1,060	4,154
T. HISPANOAMÉRICA (5)	3,066	3,135	3,337	3,617	13,155	3,665	3,467	3,634	3,622	14,387
T. ARGENTINA	716	718	773	855	3,063	935	981	1,016	983	3,915
Mobile Business	467	470	509	561	2,007	599	637	662	641	2,539
Fixed Business (2)	249	248	264	294	1,055	336	344	354	342	1,376
T. CHILE	525	507	507	551	2,089	565	590	528	536	2,220
Mobile Business	319	300	302	326	1,247	339	347	305	301	1,292
Fixed Business (2)	205	207	205	225	842	226	243	223	235	928
T. PERU	588	603	646	666	2,504	692	684	695	695	2,766
Mobile Business (6)	331	336	373	386	1,427	394	385	396	391	1,566
Fixed Business (2)	258	266	273	280	1,077	298	299	299	304	1,200
T. COLOMBIA	403	428	451	438	1,719	398	400	352	358	1,508
Mobile Business	254	269	286	281	1,090	251	249	219	224	942
Fixed Business (2)	148	159	165	156	629	147	151	134	134	566
T. MEXICO	390	403	403	452	1,649	444	458	453	427	1,783
T. VENEZUELA AND CENTRAL AMERICA (5) (7)	274	305	379	462	1,420	426	150	388	414	1,379
T. ECUADOR	119	121	128	138	508	149	149	150	157	605
T. URUGUAY	59	55	56	62	232	65	61	56	58	240
Other companies and eliminations	(9)	(6)	(5)	(7)	(27)	(10)	(6)	(7)	(7)	(29)
Other companies and eliminations	405	452	314	357	1,528	305	393	390	393	1,482
T. Ireland	130	129	-	-	259	-	-	-	-	-
TOTAL GROUP (5)	10,251	10,566	10,759	11,881	43,458	11,543	11,876	11,919	11,881	47,219

Notes:

- The comparative figures for October-December 2014 have been modified with respect to those presented at the close of December 2014, solely for comparative purposes, due to the conversion to SICAD II 50 VEF/USD of those operations referenced to the Venezuelan bolivar in the first, second and third quarters of 2014. In the January-December 2015 period the consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the denominated SIMADI (as of 31 December 2015 this rate was set at 199 Venezuelan bolivars fuertes per dollar).

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

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

(1) The reported figures have been adjusted including DTS in Telefónica España's consolidation perimeter since 1 May 2015. The reported figures up to September 2015 had included DTS in Other Companies and Eliminations (Telefónica Group).

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

(3) E-Plus has been consolidated since 1 October 2014.

(4) GVT has been consolidated since 1 May 2015.

(5) 2014 and 2015 reported figures include hyperinflationary adjustments in Venezuela.

(6) Includes fixed wireless revenues.

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

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TELEFÓNICA
OIBDA BREAKDOWN
Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
T. ESPAÑA (1)	1,402	1,342	1,376	1,551	5,671	1,282	1,305	1,381	(1,631)	2,336
T. DEUTSCHLAND (2)	251	265	255	(38)	733	408	461	403	586	1,858
T. BRASIL (3)	828	904	881	929	3,543	840	919	831	983	3,573
T. HISPANOAMÉRICA (4)	912	942	1,103	1,111	4,068	1,127	1,025	1,080	1,124	4,356
T. ARGENTINA	187	169	199	248	802	273	266	242	224	1,006
T. CHILE	167	170	179	192	708	176	203	187	194	760
T. PERU	218	208	257	162	844	238	212	240	253	943
T. COLOMBIA	139	143	174	170	627	150	146	121	130	547
T. MEXICO	60	69	99	109	337	109	105	134	133	481
T. VENEZUELA AND CENTRAL AMERICA (4) (5)	78	109	125	150	463	105	30	86	121	342
T. ECUADOR	43	45	47	54	188	52	45	47	49	194
T. URUGUAY	24	20	23	27	94	24	20	19	23	86
Other companies and eliminations	(2)	9	(1)	(2)	5	(8)	(3)	3	(3)	(2)
Other companies and eliminations	(35)	14	(25)	(188)	(233)	(38)	(8)	(2)	(662)	(710)
T. Ireland	25	26	-	-	51	-	-	-	-	-
TOTAL GROUP (4)	3,359	3,467	3,590	3,365	13,781	3,618	3,702	3,693	401	11,414

Notes:

- The comparative figures for October-December 2014 have been modified with respect to those presented at the close of December 2014, solely for comparative purposes, due to the conversion to SICAD II 50 VEF/USD of those operations referenced to the Venezuelan bolivar in the first, second and third quarters of 2014. In the January-December 2015 period the consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the denominated SIMADI (as of 31 December 2015 this rate was set at 199 Venezuelan bolivars fuertes per dollar).

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

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

- OIBDA figures exclude management and brand fees.

(1) The reported figures have been adjusted including DTS in Telefónica España's consolidation perimeter since 1 May 2015. The reported figures up to September 2015 had included DTS in Other Companies and Eliminations (Telefónica Group).

(2) E-Plus has been consolidated since 1 October 2014.

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

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

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

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TELEFÓNICA

CAPEX BREAKDOWN

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
T. ESPAÑA (1)	267	436	484	546	1,732	414	476	433	505	1,827
T. DEUTSCHLAND (2)	132	134	145	438	849	221	1,437	242	330	2,230
T. BRASIL (3)	310	523	515	1,585	2,933	395	566	540	604	2,105
T. HISPANOAMÉRICA (4)	579	571	624	1,068	2,842	622	852	729	857	3,060
T. ARGENTINA	114	115	99	349	676	146	363	229	199	938
T. CHILE	91	116	111	111	429	123	115	105	90	433
T. PERU	50	100	114	158	421	63	118	110	200	491
T. COLOMBIA	178	123	90	105	496	48	111	95	88	342
T. MEXICO	39	51	53	108	252	47	63	55	101	266
T. VENEZUELA AND CENTRAL AMERICA (4) (5)	124	38	112	188	435	41	47	91	137	317
T. ECUADOR	6	17	43	37	102	146	28	38	30	241
T. URUGUAY	5	11	3	13	31	8	6	7	12	33
Other companies and eliminations	50	60	89	126	325	31	81	63	180	356
T. Ireland	14	13	-	-	27	-	-	-	-	-
TOTAL GROUP (4)	1,337	1,724	1,857	3,763	8,681	1,682	3,412	2,007	2,477	9,578
Spectrum	187	3	3	1,102	1,294	161	1,427	(2)	(2)	1,585

Notes:

- The comparative figures for October-December 2014 have been modified with respect to those presented at the close of December 2014, solely for comparative purposes, due to the conversion to SICAD II 50 VEF/USD of those operations referenced to the Venezuelan bolivar in the first, second and third quarters of 2014. In the January-December 2015 period the consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the denominated SIMADI (as of 31 December 2015 this rate was set at 199 Venezuelan bolivars fuertes per dollar).

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

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

(1) The reported figures have been adjusted including DTS in Telefónica España's consolidation perimeter since 1 May 2015. The reported figures up to September 2015 had included DTS in Other Companies and Eliminations (Telefónica Group).

(2) E-Plus has been consolidated since 1 October 2014.

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

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

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

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

	2014				2015			
	March	June	September	December	March	June	September	December
Non-current assets	88,074	90,563	92,917	99,448	91,433	97,837	89,747	91,398
Intangible assets	18,307	18,339	17,942	22,227	19,059	20,933	18,748	18,562
Goodwill	23,445	24,042	24,142	25,437	19,952	24,123	21,455	21,745
Property, plant and equipment and Investment properties	30,131	31,065	31,923	33,156	30,441	32,293	30,192	30,549
Investments accounted for by the equity method	2,366	2,368	2,841	788	777	75	75	74
Non-current financial assets	7,353	7,930	9,173	10,973	13,310	11,073	10,126	10,008
Deferred tax assets	6,472	6,819	6,896	6,867	7,894	9,340	9,151	10,460
Current assets	24,088	26,876	27,548	22,900	33,444	32,902	33,359	31,576
Inventories	921	1,063	1,350	934	1,003	1,180	1,545	1,360
Trade and other receivables	9,736	10,206	10,082	10,637	9,054	9,443	8,828	8,301
Current financial assets	3,066	2,869	3,163	2,932	3,819	2,061	3,763	2,971
Tax receivables	1,451	1,540	1,621	1,749	1,294	1,435	1,331	1,341
Cash and cash equivalents	7,904	10,131	11,246	6,529	3,958	3,843	3,047	2,599
Non-current assets classified as held for sale	1,010	1,067	86	119	14,316	14,940	14,845	15,004
Total Assets = Total Equity and Liabilities	112,162	117,439	120,465	122,348	124,877	130,739	123,106	122,974
Equity	27,198	27,736	30,619	30,321	32,734	35,613	29,714	27,556
Equity attributable to equity holders of the parent and other holders of equity instruments	21,479	21,848	23,999	21,135	23,950	24,115	20,216	17,891
Non-controlling interests	5,719	5,888	6,620	9,186	8,784	11,498	9,498	9,665
Non-current liabilities	58,537	61,683	61,847	62,318	59,965	58,804	57,143	60,549
Non-current interest-bearing debt	47,422	50,359	50,640	50,688	48,753	47,799	46,703	47,117
Non-current trade and other payables	1,663	2,019	2,061	2,384	2,323	2,481	2,437	2,381
Deferred tax liabilities	2,991	2,945	2,930	2,566	2,314	2,307	2,296	2,313
Non-current provisions	6,461	6,360	6,216	6,680	6,575	6,217	5,707	8,738
Current liabilities	26,427	28,020	27,999	29,709	32,178	36,322	36,249	34,869
Current interest-bearing debt	8,609	9,374	9,156	9,094	11,576	14,424	14,746	12,953
Current trade and other payables	14,170	14,765	15,273	16,951	13,201	13,913	13,605	14,235
Current tax payables	1,986	2,184	2,306	2,026	1,867	1,890	1,773	1,769
Current provisions	1,470	1,512	1,264	1,595	1,418	1,874	1,908	1,971
Liabilities associated with non-current assets held for sale	192	185	-	43	4,116	4,221	4,217	3,941
Financial Data								
Net Financial Debt (1)	42,724	43,791	41,200	45,087	45,627	51,238	49,691	49,921

Notes:

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

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

- The consolidated statement of financial position for the year ended 31 December 2014, and for the first two quarters of 2015 has been restated to reflect the finalisation of the purchase price allocation of E-Plus, which was finalized in the third quarter of 2015.

- Quarterly information of 2014 using the VEF/USD exchange rate in use at the time, prepared under IFRS as adopted by the European Union.

(1) Figures in million euros. Net Financial Debt in December 2015 includes: Non-current interest-bearing debt + Non-current trade and other payables (1,073) + Current interest-bearing debt + Current trade and other payables (462) - Non-current financial assets (5,793) - Current financial assets - Current trade and other receivables (321) - Cash and cash equivalents.

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

		2014				2015			
		Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
I	Cash flows from operations	3,087	6,547	10,091	14,520	2,765	6,243	10,041	14,912
II	Net interest payment (1)	(1,016)	(1,544)	(2,118)	(2,505)	(906)	(1,402)	(1,838)	(2,410)
III	Payment for income tax	(57)	(382)	(644)	(1,106)	143	(134)	(374)	(664)
A=I+II+III	Net cash provided by operating activities	2,015	4,621	7,329	10,909	2,003	4,708	7,830	11,838
B	Net payment for investment in fixed and intangible assets	(1,835)	(3,526)	(5,368)	(8,000)	(2,297)	(5,466)	(7,464)	(9,183)
	Spectrum (2)	(92)	(154)	(175)	(927)	(96)	(1,308)	(1,305)	(1,307)
C=A+B	Net free cash flow after CapEx	180	1,095	1,961	2,909	(294)	(758)	366	2,655
D	Net Cash received from sale of Real Estate	2	4	6	5	1	2	8	36
E	Net payment for financial investment (3)	1,864	2,026	3,299	(517)	(86)	(743)	(674)	(933)
F	Net payment for operations with minority shareholders and treasury stock (4)	1,164	(935)	(122)	144	(63)	371	(365)	(1,303)
G=C+D+E+F	Free cash flow after dividends from continuing operations	3,210	2,190	5,144	2,541	(442)	(1,129)	(665)	456
L	Free cash flow after dividends from discontinued operations	3	246	602	426	362	494	658	591
H	Effects of exchange rate changes on net financial debt	2,299	2,596	2,898	2,405	546	524	(797)	(564)
I	Effects on net financial debt of changes in consolid. and others	(520)	(479)	(325)	268	(85)	4,992	5,393	6,445
J	Net financial debt at beginning of period	45,381	45,381	45,381	45,381	45,087	45,087	45,087	45,087
K=J-G+H+I	Net financial debt at end of period	43,947	45,062	42,207	45,087	45,627	51,238	49,691	49,921

		2014				2015			
		Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Net Free Cash Flow after CapEx		180	1,095	1,961	2,909	(294)	(758)	366	2,655
+ Payments related to cancellation of commitments		158	405	546	704	266	417	572	721
- Operations with minority shareholders		(119)	(254)	(271)	(327)	(26)	(400)	(412)	(537)
= Free Cash Flow from continuing operations		219	1,246	2,236	3,286	(54)	(741)	526	2,839
+ Free Cash Flow from discontinued operations		69	330	692	531	417	547	681	675
= Free Cash Flow		289	1,576	2,928	3,817	363	(194)	1,206	3,514
Weighted average number of ordinary shares outstanding during the period (millions)		4,720	4,703	4,694	4,714	4,753	4,866	4,912	4,928
= Free Cash Flow per share from continuing operations (euros)		0.05	0.26	0.48	0.70	(0.01)	(0.15)	0.11	0.58
= Free Cash Flow per share from discontinued operations (euros)		0.01	0.07	0.15	0.11	0.09	0.11	0.14	0.14
= Free Cash Flow per share		0.06	0.34	0.62	0.81	0.08	(0.04)	0.25	0.71

Notes:

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

- The comparative figures for October-December 2014 have been modified with respect to those presented at the close of December 2014, solely for comparative purposes, due to the conversion to SICAD II 50 VEF/USD of those operations referenced to the Venezuelan bolivar in the first, second and third quarters of 2014. In the January-December 2015 period the consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the denominated SIMADI (as of 31 December 2015 this rate was set at 199 Venezuelan bolivars fuertes per dollar).

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

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

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

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

(2) Figures in million euros. 2015 includes the following spectrum payments: 978 in Germany, 196 in Argentina, 68 in Ecuador, 49 in Spain, 8 in Colombia, 6 in Chile and 2 in Nicaragua. In 2014: 545 in Brazil, 166 in Argentina, 93 in Colombia, 82 in Panama and 2 in Nicaragua.

(3) In 2015 includes the contribution of minorities in the share capital increase of Telefónica Brasil, the sale of Telecom Italia S.p.A., the sale of yourfone GmbH, the payment for the purchase of GVT and DTS and the purchase of a minority stake in Mediaset Premium. In 2014 includes the sale of T. Czech Republic, the sale of T. Ireland, the acquisition from Mediaset of its 22% stake in DTS, the acquisition of E-Plus, the capital increase at T. Deutschland and the sale of the 2% stake in China Unicom.

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

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TELEFÓNICA

RECONCILIATIONS OF CASH FLOW AND OIBDA MINUS CAPEX FROM CONTINUING OPERATIONS

Unaudited figures (Euros in millions)

	2014				2015			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
OIBDA	3,359	6,825	10,415	13,781	3,618	7,320	11,013	11,414
- CapEx accrued during the period	(1,337)	(3,061)	(4,918)	(8,681)	(1,682)	(5,094)	(7,101)	(9,578)
- Payments related to cancellation of commitments	(158)	(405)	(546)	(704)	(266)	(417)	(572)	(721)
- Net interest payment	(1,016)	(1,544)	(2,118)	(2,505)	(906)	(1,402)	(1,838)	(2,410)
- Payment for tax	(57)	(382)	(644)	(1,106)	143	(134)	(374)	(664)
- Gain (loss) on sale of fixed assets and impairment of goodwill and other assets	(39)	(50)	(60)	(265)	(59)	(88)	(117)	(259)
- Investment in working cap. and other deferred income and expenses (1)	(572)	(287)	(169)	2,390	(1,142)	(943)	(646)	4,874
= Net Free Cash Flow after CapEx	180	1,095	1,961	2,909	(294)	(758)	366	2,655
+ Net Cash received from sale of Real Estate	2	4	6	5	1	2	8	36
- Net payment for financial investment	1,864	2,026	3,299	(517)	(86)	(743)	(674)	(933)
- Net payment for operations with minority shareholders and treasury stock	1,164	(935)	(122)	144	(63)	371	(365)	(1,303)
= Free Cash Flow after dividends	3,210	2,190	5,144	2,541	(442)	(1,129)	(665)	456

Notes:

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

- The comparative figures for October-December 2014 have been modified with respect to those presented at the close of December 2014, solely for comparative purposes, due to the conversion to SICAD II 50 VEF/USD of those operations referenced to the Venezuelan bolivar in the first, second and third quarters of 2014. In the January-December 2015 period the consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the denominated SIMADI (as of 31 December 2015 this rate was set at 199 Venezuelan bolivars fuertes per dollar).

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

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

(1) In 2015 includes 3,019 million euros related to restructuring cost provision, mainly in Spain.

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TELEFÓNICA
EXCHANGE RATES APPLIED TO P&L AND CAPEX

	2014				2015			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
USA (US Dollar/Euro)	1.370	1.371	1.355	1.326	1.126	1.115	1.114	1.109
United Kingdom (Sterling/Euro)	0.828	0.821	0.812	0.806	0.743	0.732	0.727	0.726
Argentina (Argentine Peso/Euro)	10.356	10.693	10.792	10.751	9.788	9.836	9.981	10.220
Brazil (Brazilian Real/Euro)	3.230	3.142	3.097	3.117	3.215	3.302	3.485	3.643
Chile (Chilean Peso/Euro)	754.848	757.650	759.994	756.710	703.349	692.458	711.288	723.914
Colombia (Colombian Peso/Euro)	2,744.855	2,682.533	2,629.282	2,650.032	2,784.003	2,771.265	2,919.350	3,016.491
Costa Rica (Colon/Euro)	728.863	746.269	738.007	722.022	610.128	602.773	602.410	599.520
Guatemala (Quetzal/Euro)	10.658	10.652	10.527	10.255	8.599	8.537	8.530	8.489
Mexico (Mexican Peso/Euro)	18.123	17.974	17.770	17.655	16.844	16.882	17.320	17.569
Nicaragua (Cordoba/Euro)	34.905	35.143	34.958	34.445	30.140	30.024	30.175	30.229
Peru (Peruvian Nuevo Sol/Euro)	3.848	3.838	3.804	3.767	3.444	3.457	3.495	3.530
Uruguay (Uruguayan Peso/Euro)	30.325	30.863	31.013	30.779	27.880	28.590	29.511	30.181
Venezuela (Bolivar Fuerte/Euro) (1)	68.923	68.273	62.901	60.691	56.057	220.751	223.414	216.310

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

EXCHANGE RATES APPLIED TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	2014				2015			
	March	June	September	December	March	June	September	December
USA (US Dollar/Euro)	1.379	1.366	1.258	1.214	1.076	1.119	1.120	1.089
United Kingdom (Sterling/Euro)	0.828	0.801	0.777	0.779	0.727	0.711	0.739	0.734
Argentina (Argentine Peso/Euro)	11.033	11.108	10.607	10.382	9.492	10.169	10.555	14.197
Brazil (Brazilian Real/Euro)	3.120	3.008	3.084	3.225	3.451	3.471	4.451	4.251
Chile (Chilean Peso/Euro)	759.965	754.905	754.000	736.654	674.136	715.021	782.779	773.150
Colombia (Colombian Peso/Euro)	2,715.480	2,569.327	2,544.283	2,904.688	2,795.576	2,907.661	3,458.090	3,428.826
Costa Rica (Colon/Euro)	763.359	749.625	686.342	662.252	580.046	605.327	606.061	593.120
Guatemala (Quetzal/Euro)	10.655	10.624	9.653	9.223	8.225	8.531	8.599	8.309
Mexico (Mexican Peso/Euro)	18.000	17.716	16.903	17.898	16.423	17.550	18.939	18.779
Nicaragua (Cordoba/Euro)	35.350	35.445	33.060	32.293	28.964	30.490	30.906	30.405
Peru (Peruvian Nuevo Sol/Euro)	3.872	3.817	3.635	3.614	3.332	3.554	3.609	3.713
Uruguay (Uruguayan Peso/Euro)	31.208	31.250	31.036	29.543	27.626	30.289	32.630	32.604
Venezuela (Bolivar Fuerte/Euro) (1)	68.923	68.273	62.901	60.691	56.057	220.751	223.414	216.310

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

- After considering Venezuela as a hyperinflationary country, the P&L and CapEx for Telefónica's operations in Venezuela are converted to the Bolivar Fuerte/Euro exchange rate at close. In 2014 they are reported adjusting the exchange rate of Venezuela from SICAD I to SICAD II 50 VEF/USD, following the adoption of SICAD II 50 VEF/USD. In the January-December 2015 period the consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the denominated SIMADI (as of 31 December 2015 this rate was set at 199 Venezuelan bolivars fuertes per dollar).

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TELEFÓNICA
YEAR TO DATE MAIN FINANCING OPERATIONS
Unaudited figures

	Closing date	Amount (m)	Currency	Issuer			
EQUITY							
Capital increase	17-Apr-15	3,048	EUR	Telefónica, S.A.			
Capital increase	5-May-15	4,044	BRL	Telefónica Brasil, S.A.			
	Issue date	Amount (m)	Currency	Issuer	Coupon	Maturity date	ISIN code
DEBENTURES AND BONDS							
Schuldscheindarlehen/ Namensschuldverschreibung ¹	13-Mar-15	300	EUR	Telefónica Germany, GmbH & Co	2.375% ¹	13-Mar-32 ¹	
Eurobond	18-Jun-15	300	EUR	Telefónica Emisiones, S.A.U.	Euribor 3M + 0.330%	Interest Payment Date falling in June 2017	XS1249278976
Eurobond	21-Jul-15	67	EUR	Telefónica Emisiones, S.A.U.	Euribor 6M + 0.830%	Interest Payment Date falling in July 2022	XS1262975995
Bond	24-Jul-15	2	UF	Telefónica Móviles Chile	2.200%	20-Jun-20	BTMOV-G ²
Bond	20-Aug-15	2	UF	Telefónica Móviles Chile	1.950%	14-Aug-20	BTMOV-I ²
Eurobond	14-Sep-15	1,000	EUR	Telefónica Emisiones, S.A.U.	1.477%	14-Sep-21	XS1290729208
Eurobond	11-Dec-15	100	EUR	Telefónica Emisiones, S.A.U.	Euribor 3M + 0.530%	Interest Payment Date falling in December 2017	XS1330976272
	Issue date	Amount (m)	Currency	Issuer	Coupon	First Call date	ISIN code
UNDATED DEEPLY SUBORDINATED RESET RATE SECURITIES							
Hybrid bond	30-Mar-15	500	USD	Colombia Telecomunicaciones, S.A. ESP	8.500%	30-Mar-20	USP28768AB86
	Signing Date	Amount (m)	Currency	Borrower	Maturity Date		
INTEREST-BEARING DEBT							
Syndicated facility	19-Feb-15	2,500	EUR	Telefónica, S.A.	19/02/2021 ⁴		
Syndicated facility ³	19-Feb-15	3,000	EUR	Telefónica, S.A.	18/02/2020 ⁴		
Bilateral Loan	30-Jun-15	200	EUR	Telefónica, S.A.	30-Jun-20		
Bilateral Loan	16-Jul-15	175	EUR	Telefónica, S.A.	16-Jul-17		
Bilateral Loan	16-Jul-15	125	EUR	Telefónica, S.A.	19-Mar-19		
Term Loan	12-Oct-15	1,050	PEN	Telefónica del Perú, S.A.A	15-Aug-20		
Bilateral Loan	13-Nov-15	100	EUR	Telefónica, S.A.	13-Nov-20		
Syndicated facility	17-Nov-15	3,000	EUR	Telefónica, S.A.	17-Feb-18		
Loan on supplies	11-Dec-15	750	USD	Telefónica, S.A.	11-Mar-26 ⁵		
Loan on supplies	11-Dec-15	500	EUR	Telefónica, S.A.	11-Mar-26 ⁵		
Bilateral Loan	23-Feb-16	100	EUR	Telefónica, S.A.	23-Feb-21		
Bilateral Loan	23-Feb-16	100	EUR	Telefónica, S.A.	23-Feb-19		

1. Maximum coupon and maturity date

2. Santiago Exchange code

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

4. One year maturity extension option applied in February 2016

5. Maturity of final tranche

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

REVENUES	2014				2015				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
T. ESPAÑA									
REPORTED DATA	2,992	5,992	8,985	12,023	2,878	6,002	9,182	12,402	3.2
Changes in the consolidation perimeter		164	399	645					
T. ESPAÑA ORGANIC	2,992	6,156	9,384	12,669	2,878	6,002	9,182	12,402	(2.1)
T. DEUTSCHLAND									
REPORTED DATA	1,122	2,284	3,503	5,522	1,901	3,849	5,828	7,888	42.9
Changes in the consolidation perimeter	725	1,488	2,271	2,271					
T. DEUTSCHLAND ORGANIC	1,847	3,772	5,774	7,793	1,901	3,849	5,828	7,888	1.2
T. BRASIL									
REPORTED DATA	2,666	5,484	8,380	11,231	2,794	5,737	8,473	11,060	(1.5)
Forex impact					(12)	293	1,061	1,867	
Changes in the consolidation perimeter		271	706	1,138					
T. BRASIL ORGANIC	2,666	5,755	9,086	12,368	2,781	6,031	9,534	12,927	4.5
T. HISPAM									
REPORTED DATA	3,066	6,200	9,538	13,155	3,665	7,132	10,765	14,387	9.4
Forex impact					(282)	(389)	(264)	19	
Hyperinflation in Venezuela	(2)	(29)	(96)	(184)	(184)	47	(32)	(119)	
T. HISPAM ORGANIC	3,063	6,172	9,441	12,971	3,360	6,790	10,470	14,287	10.1
TELEFÓNICA									
REPORTED DATA	10,251	20,817	31,577	43,458	11,543	23,419	35,337	47,219	8.7
Forex impact					(308)	(124)	757	1,842	
Hyperinflation in Venezuela	(3)	(29)	(98)	(187)	(23)	47	(31)	(119)	
Changes in the consolidation perimeter	603	1,678	3,127	3,804					
TELEFÓNICA ORGANIC	10,852	22,467	34,606	47,076	11,212	23,342	36,063	48,941	4.0
OIBDA	2014				2015				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
T. ESPAÑA									
REPORTED DATA	1,402	2,745	4,121	5,671	1,282	2,586	3,967	2,336	(58.8)
Tower sales	(46)	(54)	(54)	(191)	(38)	(38)	(38)	(38)	
Restructuring charges								2,896	
Distribution channel reorganisation plan								30	
Changes in the consolidation perimeter		1	(6)	(20)					
T. ESPAÑA ORGANIC	1,357	2,691	4,060	5,460	1,243	2,548	3,929	5,223	(4.3)
T. DEUTSCHLAND									
REPORTED DATA	251	515	770	733	408	869	1,272	1,858	153.7
Restructuring charges			13	414		3	66	74	
Final settlement agreement related to the acquisition of E-Plus								(102)	
Changes in the consolidation perimeter	123	271	367	367					
T. DEUTSCHLAND ORGANIC	374	786	1,151	1,514	408	872	1,338	1,830	20.9
T. BRASIL									
REPORTED DATA	828	1,732	2,613	3,543	840	1,759	2,590	3,573	0.9
Forex impact					(4)	90	324	603	
Tower sales			(1)	(1)				(11)	
Restructuring charges				68			6	8	
Changes in the consolidation perimeter		105	275	444					
T. BRASIL ORGANIC	828	1,837	2,887	4,054	836	1,849	2,920	4,173	2.9
T. HISPAM									
REPORTED DATA	912	1,854	2,957	4,068	1,127	2,152	3,232	4,356	7.1
Forex impact					(85)	(119)	(85)	10	
Hyperinflation in Venezuela		(11)	(41)	(70)	3	22	15	3	
Tower sales			(3)	(4)	(1)	(2)	(8)	(17)	
Restructuring charges				99		7	9	37	
T. HISPAM ORGANIC	912	1,842	2,913	4,093	1,044	2,059	3,162	4,388	7.2
TELEFÓNICA									
REPORTED DATA	3,359	6,825	10,415	13,781	3,618	7,320	11,013	11,414	(17.2)
Forex impact					(87)	(29)	228	609	
Hyperinflation in Venezuela		(12)	(42)	(72)	3	28	22	8	
Tower sales	(46)	(55)	(58)	(196)	(39)	(40)	(47)	(66)	
Restructuring charges			13	658		16	90	3,212	
Final settlement agreement related to the acquisition of E-Plus								(102)	
Firm commitments relating to the Telefónica Foundation's social activities								325	
Impairments								23	
Distribution channel reorganisation plan								30	
Changes in the consolidation perimeter	101	333	592	747					
TELEFÓNICA ORGANIC	3,414	7,091	10,921	14,917	3,495	7,294	11,306	15,452	3.6

OPERATING INCOME	2014				2015				%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	
TELEFÓNICA									
REPORTED DATA	1,590	3,334	5,153	6,350	1,511	3,068	4,657	2,897	(54.4)
Forex impact					(42)	(1)	118	325	
Hyperinflation in Venezuela	7	14	(1)	(4)	28	42	66	111	
Tower sales	(46)	(55)	(58)	(196)	(39)	(40)	(47)	(66)	
Restructuring charges			13	658		16	90	3,212	
Final settlement agreement related to the acquisition of E-Plus								(102)	
Firm commitments relating to the Telefónica Foundation's social activities								325	
Impairments								23	
Distribution channel reorganisation plan								30	
Changes in the consolidation perimeter	(139)	(227)	(349)	(293)					
TELEFÓNICA ORGANIC	1,413	3,066	4,759	6,515	1,458	3,084	4,884	6,754	3.7
CAPEX									
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Dec
T. ESPAÑA									
REPORTED DATA	267	703	1,186	1,732	414	889	1,322	1,827	5.5
Spectrum acquisition					(22)	(49)	(49)	(49)	
Real estate efficiency plan			(43)	(49)					
Changes in the consolidation perimeter		4	12	19					
T. ESPAÑA ORGANIC	267	706	1,155	1,702	392	840	1,273	1,778	4.5
T. DEUTSCHLAND									
REPORTED DATA	132	266	411	849	221	1,658	1,900	2,230	162.7
Spectrum acquisition						(1,195)	(1,196)	(1,198)	
Changes in the consolidation perimeter	83	172	313	313					
T. DEUTSCHLAND ORGANIC	215	438	724	1,161	221	463	704	1,032	(11.1)
T. BRASIL									
REPORTED DATA	310	833	1,348	2,933	395	961	1,501	2,105	(28.2)
Forex impact					(2)	49	188	355	
Spectrum acquisition				(889)					
Changes in the consolidation perimeter		96	267	443					
T. BRASIL ORGANIC	310	929	1,616	2,487	393	1,010	1,689	2,460	(1.1)
T. HISPAM									
REPORTED DATA	579	1,150	1,774	2,842	622	1,474	2,203	3,060	7.7
Forex impact					(58)	(97)	(71)	74	
Spectrum acquisition	(187)	(189)	(192)	(401)	(115)	(303)	(302)	(307)	
Hyperinflation in Venezuela		(2)	(12)	(35)	(2)	10		(8)	
T. HISPAM ORGANIC	392	959	1,569	2,406	446	1,084	1,830	2,819	17.2
TELEFÓNICA									
REPORTED DATA	1,337	3,061	4,918	8,681	1,682	5,094	7,101	9,578	10.3
Forex impact					(61)	(52)	112	412	
Spectrum acquisition	(187)	(189)	(192)	(1,290)	(137)	(1,547)	(1,548)	(1,554)	
Hyperinflation in Venezuela		(2)	(12)	(35)	(2)	10		(8)	
Real estate efficiency plan			(72)	(78)					
Changes in the consolidation perimeter	68	244	565	748					
TELEFÓNICA ORGANIC	1,219	3,114	5,206	8,026	1,481	3,506	5,665	8,428	5.0

OpCF (OIBDA-CapEx)	2014				2015				%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	
T. ESPAÑA									
REPORTED DATA	1,136	2,042	2,934	3,939	868	1,697	2,645	509	(87.1)
Tower sales	(46)	(54)	(54)	(191)	(38)	(38)	(38)	(38)	
Spectrum acquisition					22	49	49	49	
Restructuring charges								2,896	
Real estate efficiency plan			43	49					
Distribution channel reorganisation plan								30	
Changes in the consolidation perimeter		(3)	(17)	(39)					
T. ESPAÑA ORGANIC	1,090	1,985	2,905	3,758	852	1,708	2,656	3,445	(8.3)
T. DEUTSCHLAND									
REPORTED DATA	119	249	360	(116)	187	(789)	(628)	(372)	n.m.
Spectrum acquisition						1,195	1,196	1,198	
Restructuring charges			13	414		3	66	74	
Final settlement agreement related to the acquisition of E-Plus								(102)	
Changes in the consolidation perimeter	41	99	55	55					
T. DEUTSCHLAND ORGANIC	159	348	428	353	187	409	634	798	126.0
T. BRASIL									
REPORTED DATA	518	899	1,265	610	445	798	1,089	1,468	140.7
Forex impact					(2)	41	136	248	
Tower sales			(1)	(1)				(11)	
Spectrum acquisition				889					
Restructuring charges				68			6	8	
Changes in the consolidation perimeter		9	7	1					
T. BRASIL ORGANIC	518	908	1,272	1,567	443	839	1,232	1,712	9.2
T. HISPAM									
REPORTED DATA	334	705	1,183	1,226	505	678	1,029	1,296	5.7
Forex impact					(27)	(22)	(15)	(64)	
Hyperinflation in Venezuela		(9)	(28)	(35)	6	12	15	11	
Tower sales			(3)	(4)	(1)	(2)	(8)	(17)	
Spectrum acquisition	187	189	192	401	115	303	302	307	
Restructuring charges				99		7	9	37	
T. HISPAM ORGANIC	520	884	1,345	1,686	598	975	1,332	1,569	(6.9)
TELEFÓNICA									
REPORTED DATA	2,022	3,764	5,498	5,100	1,937	2,226	3,912	1,835	(64.0)
Forex impact					(27)	23	116	196	
Spectrum acquisition	187	189	192	1,290	137	1,547	1,548	1,554	
Hyperinflation in Venezuela		(10)	(30)	(37)	6	18	21	16	
Tower sales	(46)	(55)	(58)	(196)	(39)	(40)	(47)	(66)	
Real estate efficiency plan			72	78					
Restructuring charges			13	658		16	90	3,212	
Final settlement agreement related to the acquisition of E-Plus								(102)	
Firm commitments relating to the Telefónica Foundation's social activities								325	
Impairments								23	
Distribution channel reorganisation plan								30	
Changes in the consolidation perimeter	33	88	27	(1)					
TELEFÓNICA ORGANIC	2,195	3,977	5,715	6,892	2,014	3,788	5,640	7,024	1.9

Notes:

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

- **Organic criteria** : Assumes constant exchange rates as of 2014 (average FX in 2014). Excludes the impact of hyperinflationary adjustments in Venezuela in both years and Q2 UK results for both years after being classified as "discontinued operations", and considers constant perimeter of consolidation. In OIBDA and OI terms, excludes write-downs, capital gains/losses from the sale of companies, tower sales, material non-recurring impacts and restructuring costs mainly related to the voluntary employment suspension plan in Spain and to integration processes in Germany and Brazil and the simplification programme. CapEx also excludes investment in spectrum and the Real Estate efficiency plan.

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

	January-December			%	
	2015 Reported	2015 Underlying	2014 Underlying	Underlying Change y-o-y	Reported Change y-o-y
Net income	2,745	5,787	4,462	29.7	(8.5)
Basic earnings per share (euros)	0.51	1.12	0.91	23.9	(15.2)
	2015		2014		
Reported Net Income	2,745		3,001		
PPAs	443		443		
Tower sales	(47)		(137)		
Restructuring charges	2,397		409		
Telco impairment			257		
Divestment in Telecom Italia	(285)				
VEF change to SICAD II			399		
VEF change to SIMADI	364				
Provision of net financial assets in Venezuelan Bolivars			90		
Firm commitments relating to the Telefónica Foundation's social activities	195				
Impairments	18				
Final settlement agreement related with the acquisition of E-Plus	(64)				
Distribution channel reorganisation plan	22				
Underlying Net Income	5,787		4,462		

- **Underlying criteria** : Reported figures excluding the impact on net income of write-downs, capital gains/losses from companies' disposals, tower sales, material non-recurring impacts and restructuring costs mainly related to the Voluntary Employment Suspension Plan in Spain and to the integration processes in Germany and Brazil and the simplification programme, as well as depreciation and amortisation charges arising from purchase price allocation processes. Additionally, in 2015 the provision associated to firm commitments with T. Foundation, the final settlement agreement related with the acquisition of E-Plus, the provision for the optimisation of the distribution network of T. España, the impact from the adoption of the SIMADI exchange system in Venezuela and the divestment in Telecom Italia, S.p.A. are excluded.

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TELEFÓNICA

REPORTED VS. UNDERLYING

Unaudited figures (Euros in millions)

	October-December			%	
	2015 Reported	2015 Underlying	2014 Underlying	Underlying Change y-o-y	Reported Change y-o-y
Net income	(1,832)	769	1,240	(38.0)	c.s.
Basic earnings per share (euros)	(0.38)	0.14	0.25	(43.8)	c.s.
	2015	2014			
Reported Net Income	(1,832)	303			
PPAs	104	123			
Tower sales	(12)	(96)			
Restructuring charges	2,340	405			
Telco impairment		257			
VEF change to SICAD II		248			
Firm commitments relating to the Telefónica Foundation's social activities	195				
Impairments	18				
Final settlement agreement related with the acquisition of E-Plus	(64)				
Distribution channel reorganisation plan	22				
Underlying Net Income	769	1,240			

- **Underlying criteria** : Reported figures excluding the impact on net income of write-downs, capital gains/losses from companies' disposals, tower sales, material non-recurring impacts and restructuring costs mainly related to the Voluntary Employment Suspension Plan in Spain and to the integration processes in Germany and Brazil and the simplification programme, as well as depreciation and amortisation charges arising from purchase price allocation processes. Additionally, in 2015 the provision associated to firm commitments with T. Foundation, the final settlement agreement related with the acquisition of E-Plus and the provision for the optimisation of the distribution network of T. España are excluded.

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TELEFÓNICA ESPAÑA

Including DTS from 1 May 2015

CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec
Revenues	2,992	3,000	2,993	3,038	12,023	2,878	3,124	3,180	3,220	12,402
Revenues ex-handset revenues	2,851	2,824	2,848	2,832	11,355	2,752	2,957	3,034	3,000	11,742
Mobile Business	1,155	1,144	1,118	1,138	4,556	1,024	1,108	1,089	1,117	4,337
Mobile service revenues	1,014	968	974	932	3,888	897	940	942	897	3,677
Data revenues	377	373	379	379	1,508	376	395	430	418	1,619
Handset revenues	141	176	144	207	668	126	167	146	220	661
Fixed Business	2,079	2,105	2,134	2,225	8,543	2,120	2,342	2,414	2,483	9,359
FBB and new services (1)	1,040	1,073	1,115	1,141	4,368	1,149	1,354	1,455	1,478	5,436
Voice & access revenues	921	897	876	854	3,547	779	773	754	770	3,077
Other	119	134	144	230	627	192	215	205	234	846
Internal expenditure capitalized in fixed assets	75	75	73	92	316	88	82	80	100	350
Operating expenses	(1,714)	(1,755)	(1,714)	(1,783)	(6,965)	(1,735)	(1,922)	(1,916)	(4,952)	(10,526)
Supplies	(587)	(649)	(644)	(712)	(2,592)	(604)	(767)	(758)	(867)	(2,996)
Personnel expenses	(526)	(531)	(544)	(538)	(2,139)	(557)	(565)	(574)	(3,477)	(5,173)
Other operating expenses	(602)	(575)	(525)	(533)	(2,234)	(573)	(591)	(584)	(608)	(2,356)
Other net income (expense)	5	8	15	3	32	5	(5)	1	(29)	(29)
Gain (loss) on sale of fixed assets	43	13	11	202	268	46	26	37	27	136
Impairment of goodwill and other assets	0	1	(1)	(2)	(3)	0	0	(1)	4	2
Operating income before D&A (OIBDA)	1,402	1,342	1,376	1,551	5,671	1,282	1,305	1,381	(1,631)	2,336
OIBDA Margin	46.9%	44.7%	46.0%	51.0%	47.2%	44.5%	41.8%	43.4%	n.m	18.8%
CapEx	267	436	484	546	1,732	414	476	433	505	1,827
Spectrum	-	-	-	-	-	22	27	-	-	49
OpCF (OIBDA-CapEx)	1,136	907	892	1,005	3,939	868	829	948	(2,136)	509

Notes:

- The reported figures have been adjusted including DTS in Telefónica España's consolidation perimeter from 1 May 2015.

- OIBDA and OI before management and brand fees.

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

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TELEFÓNICA ESPAÑA
Without including DTS
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec
Revenues	2,992	3,000	2,993	3,038	12,023	2,878	2,966	2,998	3,063	11,905
Revenues ex-handset revenues	2,851	2,824	2,848	2,832	11,355	2,752	2,799	2,852	2,842	11,244
Mobile Business	1,155	1,144	1,118	1,138	4,556	1,024	1,108	1,089	1,117	4,337
Mobile service revenues	1,014	968	974	932	3,888	897	940	942	897	3,677
Data revenues	377	373	379	379	1,508	376	395	430	418	1,619
Handset revenues	141	176	144	207	668	126	167	146	220	661
Fixed Business	2,079	2,105	2,134	2,225	8,543	2,120	2,185	2,232	2,325	8,861
FBB and new services (1)	1,040	1,073	1,115	1,141	4,368	1,149	1,196	1,273	1,321	4,939
Voice & access revenues	921	897	876	854	3,547	779	773	754	770	3,077
Other	119	134	144	230	627	192	215	205	234	846
Internal expenditure capitalized in fixed assets	75	75	73	92	316	88	82	80	100	350
Operating expenses	(1,714)	(1,755)	(1,714)	(1,783)	(6,965)	(1,735)	(1,753)	(1,779)	(4,797)	(10,064)
Supplies	(587)	(649)	(644)	(712)	(2,592)	(604)	(641)	(690)	(792)	(2,728)
Personnel expenses	(526)	(531)	(544)	(538)	(2,139)	(557)	(552)	(554)	(3,456)	(5,120)
Other operating expenses	(602)	(575)	(525)	(533)	(2,234)	(573)	(559)	(535)	(549)	(2,217)
Other net income (expense)	5	8	15	3	32	5	(5)	0	(30)	(30)
Gain (loss) on sale of fixed assets	43	13	11	202	268	46	26	38	28	138
Impairment of goodwill and other assets	0	1	(1)	(2)	(3)	0	0	(1)	4	2
Operating income before D&A (OIBDA)	1,402	1,342	1,376	1,551	5,671	1,282	1,316	1,335	(1,633)	2,301
OIBDA Margin	46.9%	44.7%	46.0%	51.0%	47.2%	44.5%	44.4%	44.5%	n.m.	19.3%
CapEx	267	436	484	546	1,732	414	473	423	495	1,805
Spectrum	-	-	-	-	-	22	27	-	-	49
OpCF (OIBDA-CapEx)	1,136	907	892	1,005	3,939	868	843	912	(2,128)	496

Notes:

- The reported figures do not include DTS.
- OIBDA and OI before management and brand fees.
- (1) Includes FBB connectivity services (retail and wholesale), including value-added services, TV services, ICT revenues and other services over connectivity.

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TELEFÓNICA ESPAÑA

ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	35,588.4	35,702.4	35,845.3	35,836.7	35,882.6	36,958.2	36,868.1	36,935.6
Fixed telephony accesses (1)	10,883.9	10,715.4	10,595.2	10,447.8	10,321.9	10,126.6	10,064.9	10,005.6
Internet and data accesses	5,909.5	5,913.8	5,920.9	5,928.7	5,972.7	5,905.1	5,947.8	6,000.0
Broadband	5,860.3	5,862.0	5,872.7	5,885.9	5,928.3	5,861.0	5,906.1	5,962.0
Fibre	701.3	861.0	1,068.9	1,316.8	1,560.3	1,720.7	1,950.5	2,223.0
Mobile accesses	18,064.7	17,863.6	17,749.7	17,575.4	17,448.6	17,330.7	17,272.0	17,258.5
Prepay	3,996.7	3,767.8	3,559.2	3,328.1	3,122.6	2,989.1	2,881.1	2,777.1
Contract	14,068.0	14,095.8	14,190.5	14,247.3	14,325.9	14,341.6	14,390.9	14,481.4
M2M	1,446.6	1,491.9	1,566.9	1,612.4	1,662.4	1,726.5	1,705.6	1,778.8
Pay TV (2)	730.3	1,209.5	1,579.4	1,884.7	2,139.5	3,595.7	3,583.4	3,671.5
Wholesale Accesses	5,150.3	5,238.0	5,309.0	5,366.0	5,333.6	5,286.7	5,200.4	5,037.7
Unbundled loops	3,910.8	3,979.1	4,034.1	4,087.3	4,007.1	3,908.6	3,811.9	3,647.3
Wholesale circuits and line rentals	1,239.5	1,258.9	1,274.9	1,278.7	1,326.5	1,378.1	1,388.5	1,390.4
Total Accesses	40,738.7	40,940.4	41,154.3	41,202.7	41,216.2	42,244.9	42,068.4	41,973.3

(1) Includes fixed wireless and VoIP accesses.

(2) From the second quarter of 2015, Pay TV accesses include DTS.

MOBILE ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Prepay percentage (%)	22.1%	21.1%	20.1%	18.9%	17.9%	17.2%	16.7%	16.1%
Contract percentage (%)	77.9%	78.9%	79.9%	81.1%	82.1%	82.8%	83.3%	83.9%
Smartphones ('000)	8,738.2	8,989.7	9,008.8	9,535.9	9,801.4	9,877.2	10,052.6	10,169.0
Prepay	567.2	590.4	442.5	404.2	365.7	351.4	348.8	383.5
Contract	8,171.0	8,399.3	8,566.3	9,131.7	9,435.7	9,525.8	9,703.8	9,785.5
Smartphone penetration (%)	53.6%	55.9%	56.5%	60.6%	62.8%	64.0%	65.2%	66.3%
Prepay (%)	14.2%	15.7%	12.4%	12.2%	11.7%	11.8%	12.1%	13.8%
Contract (%)	66.4%	68.1%	69.2%	73.5%	75.6%	76.5%	77.4%	77.9%
LTE ('000)	959.2	1,205.7	1,409.6	1,792.6	2,159.0	2,554.0	2,996.0	3,293.0
LTE penetration (%)	5.8%	7.4%	8.7%	11.2%	13.7%	16.4%	19.2%	21.3%

FUSIÓN ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Fusión Customers	3,221.3	3,389.3	3,557.5	3,716.9	3,905.9	3,921.8	4,048.2	4,193.2
Fibre 100/300	505.3	577.1	649.2	774.8	910.3	976.3	1,137.8	1,333.2
IPTV	538.7	922.0	1,320.7	1,660.2	1,935.9	2,046.5	2,331.0	2,617.0
Mobile add-ons	1,245.0	1,303.6	1,352.9	1,394.9	1,436.2	1,453.9	1,476.5	1,500.6

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Fusión ARPU (EUR)	70.2	68.8	69.7	69.3	69.6	71.8	75.5	74.4
Fusión churn	1.3%	1.1%	1.0%	1.1%	0.9%	1.4%	1.1%	1.2%

	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dic	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dic
Fusión ARPU (EUR)	70.2	69.4	69.5	69.5	69.6	70.7	72.4	72.9
Fusión churn	1.3%	1.2%	1.1%	1.1%	0.9%	1.2%	1.2%	1.2%

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	8,588	8,988	8,992	9,033	8,869	9,180	9,080	9,239
Data traffic (TB)	14,058	15,197	18,295	22,278	24,874	29,826	38,582	37,129
ARPU (EUR)	16.1	16.0	16.0	15.5	15.0	15.3	15.7	15.2
Prepay	6.3	6.0	6.6	5.9	5.5	5.6	6.2	5.5
Contract (1)	21.0	20.8	20.6	20.0	19.2	19.6	19.9	19.3
Data ARPU (EUR)	6.9	6.9	7.1	7.1	7.2	7.6	8.3	8.1
% non-SMS over data revenues	94.8%	95.4%	94.5%	95.3%	95.5%	95.5%	95.1%	95.8%
Churn	3.5%	2.0%	1.8%	1.9%	1.8%	1.6%	1.6%	1.5%
Contract (1)	2.2%	1.7%	1.5%	1.5%	1.5%	1.4%	1.3%	1.3%
Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	
Voice traffic (Million minutes)	8,588	17,575	26,567	35,600	8,869	18,049	27,129	36,368
Data traffic (TB)	14,058	29,255	47,549	69,827	24,874	54,700	93,282	130,411
ARPU (EUR)	16.1	16.0	16.0	15.9	15.0	15.2	15.3	15.3
Prepay	6.3	6.1	6.3	6.2	5.5	5.6	5.8	5.7
Contract (1)	21.0	20.9	20.8	20.6	19.2	19.4	19.6	19.5
Data ARPU (EUR)	6.9	6.9	7.0	7.0	7.2	7.4	7.7	7.8
% non-SMS over data revenues	94.8%	95.1%	94.9%	95.0%	95.5%	95.5%	95.4%	95.5%
Churn	3.5%	2.8%	2.5%	2.3%	1.8%	1.7%	1.7%	1.6%
Contract (1)	2.2%	1.9%	1.8%	1.7%	1.5%	1.4%	1.4%	1.4%

Notes:

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

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

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

(1) Excludes M2M.

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

	2014					2015				
	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec
Revenues	1,122	1,162	1,219	2,019	5,522	1,901	1,949	1,979	2,059	7,888
Mobile Business	827	872	934	1,742	4,375	1,636	1,685	1,720	1,791	6,832
Mobile service revenues	707	728	754	1,391	3,580	1,354	1,382	1,419	1,378	5,532
Data revenues	350	354	366	723	1,793	692	707	728	712	2,840
Handset revenues	120	144	180	350	795	282	303	301	413	1,300
Fixed Business	293	287	283	274	1,138	261	260	256	266	1,043
FBB and new services (1)	209	205	205	197	815	197	202	202	198	799
Voice & access revenues	81	78	75	72	306	63	58	53	66	240
Other	4	5	4	5	18	1	1	1	1	4
Internal expenditure capitalized in fixed assets	17	18	23	34	92	23	26	33	30	113
Operating expenses	(898)	(916)	(997)	(2,006)	(4,817)	(1,543)	(1,504)	(1,548)	(1,631)	(6,226)
Supplies	(427)	(455)	(499)	(762)	(2,144)	(659)	(646)	(660)	(747)	(2,712)
Personnel expenses	(108)	(105)	(116)	(498)	(828)	(179)	(166)	(155)	(155)	(655)
Other operating expenses	(362)	(356)	(383)	(745)	(1,846)	(705)	(692)	(733)	(729)	(2,859)
Other net income (expense)	9	1	11	(85)	(64)	10	(10)	(58)	128	70
Gain (loss) on sale of fixed assets	-	-	-	-	-	17	-	(2)	(1)	14
Impairment of goodwill and other assets	-	-	-	-	-	-	-	-	-	-
Operating income before D&A (OIBDA)	251	265	255	(38)	733	408	461	403	586	1,858
OIBDA Margin	22.3%	22.8%	20.9%	-1.9%	13.3%	21.5%	23.6%	20.4%	28.5%	23.6%
CapEx	132	134	145	438	849	221	1,437	242	330	2,230
Spectrum	-	-	-	-	-	-	1,195	1	2	1,198
OpCF (OIBDA-CapEx)	119	130	110	(476)	(116)	187	(976)	161	256	(372)

Notes:

- The consolidated income statement of T. Deutschland includes E-Plus from the fourth quarter 2014.
- OIBDA and OI before management and brand fees.
- (1) Includes FBB connectivity services (retail and wholesale), including value-added services, TV services, ICT revenues and other services over connectivity.

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TELEFÓNICA DEUTSCHLAND
ACCESSES
Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	23,875.7	23,964.3	24,113.2	46,548.3	46,572.8	46,981.4	47,627.2	47,391.2
Fixed telephony accesses (1)	2,109.1	2,078.2	2,050.9	2,036.4	2,022.0	2,009.7	1,999.9	1,997.8
Internet and data accesses	2,491.7	2,450.2	2,413.4	2,387.0	2,371.6	2,354.7	2,338.7	2,330.6
Broadband	2,225.9	2,191.4	2,160.8	2,143.8	2,128.3	2,115.2	2,102.7	2,098.0
Mobile accesses	19,274.9	19,435.9	19,648.9	42,124.9	42,179.2	42,617.0	43,288.6	43,062.8
Prepay	8,910.9	8,919.7	8,989.3	23,350.7	23,264.2	23,500.9	24,003.7	23,979.4
Contract (2)	10,364.0	10,516.1	10,659.6	18,774.1	18,915.0	19,116.1	19,284.9	19,083.4
M2M	94.6	97.5	106.0	414.0	443.4	506.2	570.7	632.0
Wholesale Accesses	1,128.0	1,151.8	1,137.6	1,113.3	1,085.3	1,059.3	1,017.5	972.0
Total Accesses	25,003.7	25,116.1	25,250.8	47,661.5	47,658.1	48,040.7	48,644.7	48,363.2

Note:

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

(1) Includes fixed wireless and VoIP accesses.

(2) In the fourth quarter of 2015, 400 thousand inactive customer accesses were excluded. In the fourth quarter of 2014, 428 thousand accesses were excluded from customer base on adjustments in the former E-Plus driven by the harmonization of criteria and the disconnection of a partner.

MOBILE ACCESSES
Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Prepay percentage (%)	46.2%	45.9%	45.7%	55.4%	55.2%	55.1%	55.5%	55.7%
Contract percentage (%)	53.8%	54.1%	54.3%	44.6%	44.8%	44.9%	44.5%	44.3%
Smartphones ('000) (1)	5,957.2	6,057.2	6,230.7	11,422.2	20,364.1	21,153.4	22,145.5	22,594.3
Prepay	792.1	773.1	791.0	1,450.6	9,086.7	9,538.8	10,097.5	10,279.7
Contract	5,165.1	5,284.1	5,439.6	9,971.6	11,277.4	11,614.6	12,048.0	12,314.6
Smartphone penetration (%) (1)	32.8%	33.1%	33.8%	29.0%	49.8%	51.3%	52.9%	54.2%
Prepay (%)	9.4%	9.1%	9.3%	6.4%	39.6%	41.1%	42.6%	43.3%
Contract (%)	53.2%	53.9%	55.0%	59.2%	63.0%	64.4%	66.4%	68.7%
LTE ('000) (1)	464.0	667.2	963.3	3,098.0	5,146.0	6,093.0	7,002.2	7,883.5
LTE penetration (%) (1)	2.4%	3.5%	4.9%	7.4%	12.3%	14.5%	16.4%	18.6%

Note:

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

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

SELECTED OPERATIONAL MOBILE BUSINESS DATA
Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	7,572	7,775	7,398	18,441	15,837	15,492	15,487	15,879
Data traffic (TB)	10,569	11,247	12,898	37,159	40,172	42,255	45,898	50,501
ARPU (EUR)	12.1	12.5	12.7	10.9	10.6	10.8	10.9	10.5
Prepay	5.0	5.2	5.3	5.6	5.6	5.9	6.0	5.8
Contract (1)	18.5	18.8	19.1	17.7	17.2	17.2	17.4	16.9
Data ARPU (EUR)	6.0	6.1	6.2	5.7	5.5	5.6	5.6	5.5
% non-SMS over data revenues	72.0%	72.5%	73.8%	68.9%	70.5%	71.5%	71.9%	72.5%
Churn	2.4%	1.9%	1.9%	2.9%	2.4%	2.1%	2.1%	2.8%
Contract (1)	1.6%	1.3%	1.5%	2.7%	1.7%	1.7%	1.7%	2.4%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	7,572	15,347	22,745	41,186	15,837	31,329	46,816	62,696
Data traffic (TB)	10,569	21,815	34,714	71,873	40,172	82,427	128,325	178,826
ARPU (EUR)	12.1	12.3	12.4	11.8	10.6	10.7	10.8	10.7
Prepay	5.0	5.1	5.2	5.4	5.6	5.8	5.8	5.8
Contract (1)	18.5	18.7	18.8	18.4	17.2	17.2	17.3	17.2
Data ARPU (EUR)	6.0	6.1	6.1	5.9	5.5	5.5	5.6	5.5
% non-SMS over data revenues	72.0%	72.3%	72.8%	71.2%	70.5%	71.0%	71.3%	71.6%
Churn	2.4%	2.1%	2.1%	2.4%	2.4%	2.3%	2.2%	2.4%
Contract (1)	1.6%	1.4%	1.5%	1.9%	1.7%	1.7%	1.7%	1.9%

Notes:

- E-Plus operational data has been included since 1 October 2014.

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

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

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

(1) Excludes M2M.

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

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	2,666	2,818	2,896	2,850	11,231	2,794	2,943	2,736	2,587	11,060
Mobile Business	1,783	1,904	1,971	1,960	7,617	1,942	1,831	1,606	1,526	6,905
Mobile service revenues	1,686	1,808	1,868	1,865	7,228	1,836	1,718	1,496	1,444	6,495
Data revenues	547	612	654	666	2,478	718	737	694	705	2,853
Handset revenues	97	96	102	94	390	105	113	110	82	410
Fixed Business	883	914	926	890	3,613	852	1,112	1,130	1,060	4,154
FBB and new services (1)	343	372	383	368	1,465	363	507	521	501	1,892
Voice & access revenues	532	533	534	514	2,113	481	598	602	554	2,235
Others	9	8	9	8	34	8	8	6	6	27
Internal exp. capitalized in fixed assets	12	12	11	12	48	10	28	30	23	91
Operating expenses	(1,835)	(1,939)	(2,016)	(1,952)	(7,742)	(1,933)	(2,057)	(1,924)	(1,741)	(7,655)
Supplies	(654)	(666)	(696)	(664)	(2,680)	(665)	(671)	(639)	(593)	(2,568)
Personnel expenses	(216)	(230)	(238)	(292)	(976)	(220)	(280)	(280)	(262)	(1,042)
Other operating expenses	(965)	(1,043)	(1,082)	(996)	(4,085)	(1,048)	(1,106)	(1,005)	(885)	(4,044)
Other net income (expense)	(13)	14	(9)	15	7	(28)	4	(9)	108	75
Gain (loss) on sale of fixed assets	(4)	(2)	(1)	1	(6)	(2)	(2)	(1)	10	5
Impairment of goodwill and other assets	1	1	(1)	4	4	(1)	3	(2)	(3)	(3)
Operating income before D&A (OIBDA)	828	904	881	929	3,543	840	919	831	983	3,573
OIBDA Margin	31.1%	32.1%	30.4%	32.6%	31.5%	30.1%	31.2%	30.4%	38.0%	32.3%
CapEx	310	523	515	1,585	2,933	395	566	540	604	2,105
Spectrum	-	-	-	889	889	-	-	-	-	-
OpCF (OIBDA-CapEx)	518	381	366	(656)	610	445	354	291	379	1,468

Note:
- The Consolidated Income Statement of Telefónica Brasil includes GVT since 1 May 2015.
- OIBDA and OI before management and brand fees.
(1) Includes FBB connectivity services (retail and wholesale), including value-added services, TV services, ICT revenues and other services over connectivity.

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TELEFÓNICA BRASIL

ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	94,028.1	95,071.1	95,601.5	95,528.6	97,339.9	106,528.1	103,432.6	96,899.3
Fixed telephony accesses (1)	10,828.1	10,929.1	10,942.1	10,743.4	10,609.4	14,869.6	14,876.8	14,654.5
Internet and data accesses	4,094.5	4,103.5	4,114.8	4,082.6	4,066.5	7,224.0	7,319.5	7,195.5
Broadband	3,933.0	3,944.9	3,961.6	3,939.8	3,926.5	7,092.4	7,191.5	7,129.5
Fibre	235.8	273.3	322.1	374.6	428.5	3,640.8	3,788.6	3,779.9
Mobile accesses	78,460.8	79,350.7	79,817.0	79,932.1	81,873.2	82,648.6	79,407.1	73,261.3
Prepay	53,552.8	53,188.5	52,639.8	51,582.4	52,972.3	53,068.7	48,978.8	42,194.4
Contract	24,908.0	26,162.3	27,177.2	28,349.7	28,900.8	29,580.0	30,428.3	31,066.9
M2M	2,629.0	2,920.1	3,197.5	3,506.9	3,687.5	3,935.2	4,105.7	4,234.7
Pay TV	644.8	687.8	727.6	770.6	790.9	1,785.9	1,829.2	1,787.9
Wholesale Accesses	27.5	27.0	26.2	25.9	25.4	23.6	22.9	22.3
Total Accesses	94,055.6	95,098.1	95,627.7	95,554.5	97,365.2	106,551.7	103,455.5	96,921.5
Terra Accesses	379.3	361.8	329.9	300.3	269.0	172.1	159.9	150.3

Note:

- GVT accesses are consolidated from the 1 May 2015.

(1) Includes fixed wireless and VoIP accesses.

MOBILE ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Prepay percentage (%)	68.3%	67.0%	66.0%	64.5%	64.7%	64.2%	61.7%	57.6%
Contract percentage (%)	31.7%	33.0%	34.0%	35.5%	35.3%	35.8%	38.3%	42.4%
Smartphones ('000)	20,227.6	23,190.9	28,950.0	30,076.8	30,216.9	32,732.7	39,117.1	39,911.7
Prepay	12,117.3	14,231.3	18,758.7	18,997.3	18,710.6	19,372.1	22,945.3	22,376.4
Contract	8,110.3	8,959.6	10,191.3	11,079.5	11,506.3	13,360.6	16,171.8	17,535.4
Smartphone penetration (%)	28.0%	31.8%	39.5%	41.1%	40.3%	43.3%	54.2%	60.4%
Prepay (%)	22.7%	26.8%	35.8%	37.0%	35.5%	36.7%	47.1%	53.4%
Contract (%)	43.0%	45.1%	49.1%	50.9%	51.8%	58.8%	68.9%	72.7%
LTE ('000)	858.0	1,281.2	1,768.0	3,506.9	3,943.1	5,691.1	7,542.2	10,214.7
LTE penetration (%)	1.3%	1.9%	2.6%	3.9%	5.0%	7.2%	10.0%	14.8%

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	31,500	30,503	31,536	33,872	31,398	32,493	32,787	34,351
Data traffic (TB)	43,342	48,337	56,879	64,154	65,043	68,799	68,276	70,500
ARPU (EUR)	7.0	7.3	7.5	7.4	7.2	6.5	5.7	5.7
Prepay	3.8	3.9	4.0	4.0	3.8	3.3	2.8	2.9
Contract (1)	15.3	15.8	16.0	15.6	15.3	14.2	12.3	11.6
Data ARPU (EUR)	2.3	2.6	2.7	2.8	3.0	3.0	2.8	3.0
% non-SMS over data revenues	75.1%	76.3%	78.0%	79.8%	81.6%	82.5%	83.0%	84.5%
Churn	3.4%	3.5%	3.7%	4.0%	2.9%	3.2%	4.7%	6.1%
Contract (1)	1.5%	1.5%	1.8%	1.7%	1.8%	1.9%	1.9%	1.8%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	31,500	62,004	93,540	127,412	31,398	63,891	96,678	131,029
Data traffic (TB)	43,342	91,679	148,558	212,712	65,043	133,842	202,118	272,618
ARPU (EUR)	7.0	7.1	7.2	7.3	7.2	6.9	6.5	6.3
Prepay	3.8	3.9	3.9	3.9	3.8	3.5	3.3	3.2
Contract (1)	15.3	15.5	15.7	15.7	15.3	14.7	13.9	13.3
Data ARPU (EUR)	2.3	2.5	2.6	2.6	3.0	3.0	2.9	2.9
% non-SMS over data revenues	75.1%	75.7%	76.5%	77.4%	81.6%	82.1%	82.4%	82.9%
Churn	3.4%	3.5%	3.6%	3.7%	2.9%	3.0%	3.6%	4.2%
Contract (1)	1.5%	1.5%	1.6%	1.6%	1.8%	1.8%	1.8%	1.8%

Notes:

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

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

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

(1) Excludes M2M.

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

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	3,066	3,135	3,337	3,617	13,155	3,665	3,467	3,634	3,622	14,387
Internal exp. capitalized in fixed assets	24	27	23	30	104	27	28	30	39	125
Operating expenses	(2,193)	(2,246)	(2,276)	(2,569)	(9,284)	(2,583)	(2,489)	(2,605)	(2,652)	(10,329)
Supplies	(925)	(923)	(927)	(1,066)	(3,841)	(1,030)	(1,012)	(1,075)	(1,060)	(4,176)
Personnel expenses	(338)	(344)	(363)	(480)	(1,525)	(418)	(408)	(415)	(445)	(1,686)
Other operating expenses	(930)	(979)	(985)	(1,023)	(3,918)	(1,135)	(1,069)	(1,115)	(1,147)	(4,466)
Other net income (expense)	17	27	15	29	89	17	15	17	23	72
Gain (loss) on sale of fixed assets	(1)	(1)	2	4	4	0	3	5	93	101
Impairment of goodwill and other assets	-	-	-	-	-	-	-	-	-	-
Operating income before D&A (OIBDA)	912	942	1,103	1,111	4,068	1,127	1,025	1,080	1,124	4,356
OIBDA Margin	29.8%	30.0%	33.0%	30.7%	30.9%	30.8%	29.6%	29.7%	31.0%	30.3%
CapEx	579	571	624	1,068	2,842	622	852	729	857	3,060
Spectrum	187	3	3	213	405	139	205	(3)	(4)	338
OpCF (OIBDA-CapEx)	334	371	479	42	1,226	505	173	351	267	1,296

- Notes:

- The comparative figures for October-December 2014 have been modified with respect to those presented at the close of December 2014, solely for comparative purposes, due to the conversion to SICAD II 50 VEF/USD of those operations referenced to the Venezuelan bolivar in the first, second and third quarters of 2014. In the January-December 2015 period the consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the denominated SIMADI (as of 31 December 2015 this rate was set at 199 Venezuelan bolivars fuertes per dollar).

- OIBDA and OI before management and brand fees.

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

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TELEFÓNICA HISPANOAMÉRICA

ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	127,595.0	128,691.4	129,347.1	131,586.6	132,461.8	132,247.2	132,672.7	134,612.4
Fixed telephony accesses (1) (2)	13,561.0	13,603.4	13,515.7	13,374.4	13,266.5	13,158.7	13,035.3	12,829.8
Internet and data accesses	5,194.5	5,285.0	5,371.3	5,433.8	5,516.0	5,573.4	5,644.5	5,667.8
Broadband	5,134.5	5,228.7	5,315.1	5,379.4	5,452.7	5,514.1	5,586.1	5,610.4
Mobile accesses	106,647.6	107,508.3	108,117.1	110,346.5	111,143.1	110,866.4	111,251.2	113,302.7
Prepay (3)	83,703.0	84,197.0	84,688.7	86,698.0	87,454.6	87,077.4	87,013.2	88,332.8
Contract	22,944.6	23,311.3	23,428.4	23,648.5	23,688.6	23,789.1	24,238.1	24,969.8
M2M	1,873.3	1,923.3	1,970.9	2,062.2	2,125.9	2,144.8	2,214.3	2,296.9
Pay TV	2,192.0	2,294.6	2,343.0	2,431.9	2,536.2	2,648.6	2,741.7	2,812.2
Wholesale Accesses	21.8	21.8	112.7	16.4	31.4	31.4	31.0	30.9
Total Accesses	127,616.8	128,713.1	129,459.8	131,603.0	132,493.2	132,278.6	132,703.7	134,643.3

*(1) Includes fixed wireless and VoIP accesses.**(2) In the second quarter of 2014, fixed telephony accesses include 50 thousand fixed wireless additional customers in Peru.**(3) In the fourth quarter of 2014, 1.8 million inactive accesses were disconnected in Central America.*

MOBILE ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Prepay percentage (%)	78.5%	78.3%	78.3%	78.6%	78.7%	78.5%	78.2%	78.0%
Contract percentage (%)	21.5%	21.7%	21.7%	21.4%	21.3%	21.5%	21.8%	22.0%
Smartphones ('000)	23,057.9	25,092.5	27,257.6	27,992.8	31,048.7	35,420.7	37,486.0	40,229.5
Prepay	12,002.8	13,445.2	15,356.9	15,687.5	18,205.6	21,877.1	23,118.9	25,508.0
Contract	11,055.1	11,647.3	11,900.7	12,305.3	12,843.1	13,543.6	14,367.1	14,721.5
Smartphone penetration (%)	22.4%	24.2%	26.1%	26.3%	28.9%	33.0%	34.8%	36.7%
Prepay (%)	14.5%	16.1%	18.3%	18.3%	21.0%	25.3%	26.8%	29.1%
Contract (%)	55.2%	57.1%	58.0%	59.4%	61.9%	64.9%	67.5%	67.0%
LTE ('000)	348.3	632.8	1,113.3	1,989.8	2,811.4	4,233.6	6,037.5	8,321.9
LTE penetration (%)	0.3%	0.6%	1.1%	1.8%	2.6%	3.9%	5.5%	7.5%

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TELEFÓNICA ARGENTINA
SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	716	718	773	855	3,063	935	981	1,016	983	3,915
Mobile Business	467	470	509	561	2,007	599	637	662	641	2,539
Mobile service revenues	404	392	422	479	1,697	529	557	565	543	2,194
Data revenues	201	195	199	195	790	201	287	267	246	1,000
Handset revenues	64	78	86	82	310	71	79	97	98	345
Fixed Business	249	248	264	294	1,055	336	344	354	342	1,376
FBB and new services (1)	129	130	141	164	564	189	196	198	203	787
Voice & access revenues	108	105	111	118	442	131	130	138	122	521
Others	12	13	13	12	50	15	18	18	17	68
OIBDA	187	169	199	248	802	273	266	242	224	1,006
OIBDA margin (2)	25.6%	23.1%	25.3%	28.6%	25.8%	28.8%	26.8%	23.4%	22.6%	25.4%
CapEx	114	115	99	349	676	146	363	229	199	938
Spectrum	-	-	-	168	168	-	204	(3)	(5)	196
OpCF (OIBDA-CapEx)	73	54	100	(101)	126	127	(97)	13	25	68

Notes:

- OIBDA is presented before management and brand fees.

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

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

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TELEFÓNICA ARGENTINA
ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	26,300.0	26,159.9	25,910.5	26,629.1	26,318.5	26,236.0	26,375.5	26,910.7
Fixed telephony accesses (1)	4,812.7	4,779.6	4,750.4	4,726.8	4,693.2	4,669.3	4,662.2	4,635.2
Fixed wireless	342.8	323.0	304.5	296.0	285.9	286.4	295.1	288.0
Internet and data accesses	1,845.4	1,854.5	1,870.7	1,880.2	1,880.7	1,877.8	1,883.9	1,886.3
Broadband	1,834.2	1,842.3	1,859.0	1,870.5	1,871.8	1,869.9	1,877.5	1,881.2
Mobile accesses	19,641.9	19,525.8	19,289.4	20,022.1	19,744.6	19,688.9	19,829.4	20,389.2
Prepay	12,649.6	12,522.0	12,337.2	12,957.6	12,778.0	12,859.0	12,985.6	13,434.6
Contract	6,992.3	7,003.8	6,952.1	7,064.5	6,966.5	6,829.9	6,843.8	6,954.6
M2M	452.6	454.9	470.8	470.7	455.4	446.9	450.5	448.8
Wholesale Accesses	14.0	13.9	104.9	8.4	23.3	23.5	23.0	23.1
Total Accesses	26,314.0	26,173.9	26,015.4	26,637.6	26,341.7	26,259.5	26,398.6	26,933.8

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	5,480	5,773	5,870	5,959	5,674	6,345	6,067	5,499
Data traffic (TB)	5,836	6,549	7,284	8,541	10,069	11,491	14,536	19,035
ARPU (EUR)	7.0	6.8	7.4	8.3	9.1	9.9	9.9	9.0
Prepay	2.1	2.2	2.3	2.7	2.7	2.9	2.9	2.7
Contract (1)	16.7	15.9	17.6	19.4	22.3	24.0	24.5	22.6
Data ARPU (EUR)	3.4	3.3	3.4	3.3	3.4	4.3	4.5	4.0
% non-SMS over data revenues	57.9%	59.1%	61.5%	57.3%	56.2%	78.1%	76.1%	79.2%
Churn	3.2%	3.2%	3.1%	2.6%	3.1%	2.9%	2.7%	1.9%
Contract (1)	1.1%	1.2%	1.2%	1.0%	1.1%	1.5%	1.7%	1.3%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	5,480	11,253	17,123	23,081	5,674	12,020	18,087	23,585
Data traffic (TB)	5,836	12,385	19,669	28,210	10,069	21,560	36,096	55,131
ARPU (EUR)	7.0	6.9	7.1	7.4	9.1	9.5	9.6	9.5
Prepay	2.1	2.2	2.2	2.3	2.7	2.8	2.9	2.8
Contract (1)	16.7	16.3	16.7	17.4	22.3	23.1	23.6	23.3
Data ARPU (EUR)	3.4	3.4	3.4	3.4	3.4	4.1	4.2	4.2
% non-SMS over data revenues	57.9%	58.5%	59.5%	59.0%	56.2%	68.8%	71.4%	73.5%
Churn	3.2%	3.2%	3.2%	3.0%	3.1%	3.0%	2.9%	2.6%
Contract (1)	1.1%	1.1%	1.1%	1.1%	1.1%	1.3%	1.4%	1.4%

Notes:

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

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

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

(1) Excludes M2M.

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

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	525	507	507	551	2,089	565	590	528	536	2,220
Mobile Business	319	300	302	326	1,247	339	347	305	301	1,292
Mobile service revenues	287	269	273	284	1,113	304	313	282	278	1,177
Data revenues	72	76	86	85	318	98	109	108	109	424
Handset revenues	32	31	29	42	134	35	34	23	23	115
Fixed Business	205	207	205	225	842	226	243	223	235	928
FBB and new services (1)	125	129	132	145	530	152	170	156	163	641
Voice & access revenues	76	74	69	76	295	70	69	64	68	271
Others	4	4	4	4	17	4	4	4	4	16
OIBDA	167	170	179	192	708	176	203	187	194	760
OIBDA margin	31.8%	33.5%	35.4%	34.9%	33.9%	31.1%	34.4%	35.4%	36.2%	34.2%
CapEx	91	116	111	111	429	123	115	105	90	433
Spectrum	-	-	-	-	-	6	-	-	-	6
OpCF (OIBDA-CapEx)	76	54	68	81	279	53	88	82	104	327

Notes:

- OIBDA is presented before management and brand fees.

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

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TELEFÓNICA CHILE
ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	13,566.9	13,576.0	13,586.1	13,888.1	13,861.3	13,610.4	13,387.4	13,158.3
Fixed telephony accesses (1)	1,631.0	1,616.8	1,593.9	1,579.0	1,557.7	1,537.4	1,510.3	1,486.0
Internet and data accesses	984.5	1,005.3	1,030.5	1,047.7	1,067.9	1,093.6	1,106.4	1,112.0
Broadband	977.0	998.7	1,023.4	1,040.7	1,056.7	1,082.5	1,095.4	1,101.1
Fibre	38.8	47.3	55.9	63.7	73.8	82.8	90.5	97.3
Mobile accesses	10,424.3	10,394.0	10,381.4	10,660.2	10,619.5	10,345.1	10,129.6	9,915.6
Prepay	7,693.6	7,595.2	7,563.7	7,856.6	7,817.5	7,503.0	7,268.0	6,995.3
Contract	2,730.7	2,798.7	2,817.7	2,803.6	2,802.0	2,842.1	2,861.7	2,920.3
M2M	306.5	322.0	319.9	307.3	293.0	291.0	294.3	310.0
Pay TV	527.1	559.9	580.3	601.3	616.2	634.3	641.0	644.7
Wholesale Accesses	5.4	5.4	5.4	5.6	5.9	5.9	5.8	5.7
Total Accesses	13,572.3	13,581.4	13,591.5	13,893.8	13,867.2	13,616.3	13,393.2	13,164.0

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	3,151	3,107	3,095	3,239	3,148	3,043	3,159	3,406
Data traffic (TB)	11,510	13,550	14,686	15,895	14,616	19,302	21,607	26,114
ARPU (EUR)	8.9	8.4	8.6	9.0	9.4	9.7	9.0	8.8
Prepay	3.9	3.6	3.6	3.7	3.8	3.8	3.3	3.1
Contract (1)	25.8	24.4	24.7	26.1	27.8	28.7	26.3	25.2
Data ARPU (EUR)	2.3	2.4	2.7	2.7	3.1	3.4	3.4	3.5
% non-SMS over data revenues	89.2%	91.6%	93.3%	93.4%	94.0%	93.5%	93.5%	93.7%
Churn	3.3%	3.1%	3.2%	3.3%	3.2%	3.7%	3.2%	3.4%
Contract (1)	1.7%	1.7%	2.0%	2.1%	1.9%	1.9%	2.3%	2.2%

	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	3,151	6,259	9,354	12,593	3,148	6,191	9,350	12,756
Data traffic (TB)	11,510	25,059	39,745	55,640	14,616	33,918	55,525	81,639
ARPU (EUR)	8.9	8.7	8.6	8.7	9.4	9.5	9.4	9.2
Prepay	3.9	3.7	3.7	3.7	3.8	3.8	3.6	3.5
Contract (1)	25.8	25.1	24.9	25.2	27.8	28.2	27.6	27.0
Data ARPU (EUR)	2.3	2.4	2.5	2.5	3.1	3.3	3.3	3.4
% non-SMS over data revenues	89.2%	90.4%	91.5%	91.9%	94.0%	93.7%	93.7%	93.7%
Churn	3.3%	3.2%	3.2%	3.2%	3.2%	3.4%	3.4%	3.4%
Contract (1)	1.7%	1.7%	1.8%	1.9%	1.9%	1.9%	2.0%	2.1%

Notes:

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

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

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

(1) Excludes M2M.

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TELEFÓNICA PERÚ

SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	588	603	646	666	2,504	692	684	695	695	2,766
Mobile Business	331	336	373	386	1,427	394	385	396	391	1,566
Mobile service revenues (1)	290	296	322	342	1,250	354	342	350	344	1,390
Data revenues	73	74	87	100	335	110	114	108	107	440
Handset revenues	40	41	51	44	177	40	43	47	47	176
Fixed Business	258	266	273	280	1,077	298	299	299	304	1,200
FBB and new services (2)	166	177	180	182	705	207	214	216	233	870
Voice & access revenues	88	83	88	92	351	87	79	80	67	312
Others	4	6	5	6	21	4	5	4	4	17
OIBDA	218	208	257	162	844	238	212	240	253	943
OIBDA margin	37.0%	34.4%	39.7%	24.3%	33.7%	34.4%	31.0%	34.6%	36.4%	34.1%
CapEx	50	100	114	158	421	63	118	110	200	491
Spectrum	-	-	-	-	-	-	-	-	-	-
OpCF (OIBDA-CapEx)	168	108	143	4	423	175	93	130	53	452

Notes:

- OIBDA is presented before management and brand fees.

(1) Includes fixed wireless revenues.

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

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TELEFÓNICA PERÚ
ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	21,081.6	21,287.9	21,632.6	21,976.4	22,083.4	22,104.2	22,184.3	22,231.0
Fixed telephony accesses (1)	2,725.7	2,776.9	2,749.3	2,714.7	2,641.4	2,605.8	2,634.9	2,596.6
Fixed wireless (2)	251.4	292.8	280.2	262.7	191.2	229.8	208.5	191.9
Internet and data accesses	1,457.2	1,490.7	1,505.2	1,523.4	1,557.4	1,589.2	1,628.0	1,647.1
Broadband	1,431.8	1,468.8	1,483.2	1,501.3	1,529.7	1,564.4	1,602.5	1,621.2
Mobile accesses	16,012.9	16,133.1	16,489.0	16,790.2	16,870.2	16,819.1	16,773.8	16,786.5
Prepay	11,377.8	11,288.6	11,450.9	11,676.3	11,645.3	11,450.4	11,255.3	11,013.3
Contract	4,635.2	4,844.5	5,038.1	5,113.9	5,224.8	5,368.7	5,518.5	5,773.1
M2M	82.8	85.6	87.8	86.2	118.0	98.4	99.8	103.3
Pay TV	885.7	887.3	889.1	948.0	1,014.5	1,090.1	1,147.7	1,200.8
Wholesale Accesses	0.4	0.4	0.4	0.4	0.3	0.2	0.2	0.1
Total Accesses	21,082.1	21,288.4	21,633.0	21,976.8	22,083.7	22,104.3	22,184.5	22,231.1

(1) Includes fixed wireless and VoIP accesses.

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

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	7,886	6,762	7,177	7,607	8,001	8,083	8,775	9,351
Data traffic (TB)	2,901	3,078	3,599	4,206	5,040	6,389	8,232	10,616
ARPU (EUR)	6.1	6.2	6.7	6.9	7.0	6.8	6.7	6.7
Prepay	3.9	3.8	4.1	4.2	4.2	3.9	3.7	3.6
Contract (1)	12.0	11.9	12.6	13.4	13.5	13.2	13.1	12.9
Data ARPU (EUR)	1.5	1.6	1.8	2.0	2.2	2.3	2.1	2.1
% non-SMS over data revenues	85.5%	88.4%	88.6%	85.9%	92.1%	94.0%	94.5%	95.4%
Churn	3.8%	4.0%	3.8%	3.7%	4.0%	4.3%	4.4%	4.3%
Contract (1)	2.1%	1.5%	1.4%	1.9%	2.2%	2.0%	2.2%	1.8%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	7,886	14,648	21,825	29,432	8,001	16,084	24,860	34,210
Data traffic (TB)	2,901	5,979	9,578	13,784	5,040	11,429	19,662	30,278
ARPU (EUR)	6.1	6.1	6.3	6.5	7.0	6.9	6.8	6.8
Prepay	3.9	3.8	3.9	4.0	4.2	4.0	3.9	3.9
Contract (1)	12.0	11.9	12.1	12.4	13.5	13.3	13.3	13.2
Data ARPU (EUR)	1.5	1.5	1.6	1.7	2.2	2.2	2.2	2.2
% non-SMS over data revenues	85.5%	86.9%	87.5%	87.1%	92.1%	93.1%	93.6%	94.0%
Churn	3.8%	3.9%	3.9%	3.8%	4.0%	4.1%	4.2%	4.3%
Contract (1)	2.1%	1.5%	1.5%	1.6%	2.2%	2.1%	2.2%	2.1%

Notes:

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

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

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

(1) Excludes M2M.

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TELEFÓNICA COLOMBIA
SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	403	428	451	438	1,719	398	400	352	358	1,508
Mobile Business	254	269	286	281	1,090	251	249	219	224	942
Mobile service revenues	231	244	260	250	985	223	221	192	192	829
Data revenues	59	64	68	67	258	66	67	61	62	256
Handset revenues	23	25	25	31	104	28	27	27	31	113
Fixed Business	148	159	165	156	629	147	151	134	134	566
FBB and new services (1)	83	89	95	90	356	84	87	81	83	336
Voice & access revenues	66	70	70	66	271	63	64	52	51	229
Others	0	0	0	0	1	0	0	0	0	1
OIBDA	139	143	174	170	627	150	146	121	130	547
OIBDA margin	34.6%	33.5%	38.6%	39.0%	36.5%	37.6%	36.5%	34.3%	36.3%	36.2%
CapEx	178	123	90	105	496	48	111	95	88	342
Spectrum	108	2	2	(1)	111	-	-	-	-	-
OpCF (OIBDA-CapEx)	(38)	20	84	65	132	102	35	26	42	205

Notes:

- OIBDA is presented before management and brand fees.

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

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TELEFÓNICA COLOMBIA
ACCESSES
Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	15,128.7	15,052.5	15,403.9	15,689.7	15,777.5	15,308.1	15,587.6	15,824.5
Fixed telephony accesses (1)	1,459.9	1,464.0	1,468.6	1,461.0	1,465.8	1,450.8	1,448.2	1,430.6
Internet and data accesses	895.1	922.4	952.9	970.2	997.3	999.8	1,012.8	1,008.7
Broadband	886.7	913.9	944.5	961.7	988.9	991.3	1,004.4	1,000.2
Mobile accesses	12,409.8	12,281.9	12,581.6	12,842.5	12,884.9	12,413.3	12,655.6	12,896.7
Prepay	9,105.9	8,982.4	9,313.3	9,582.6	9,633.2	9,158.6	9,341.8	9,510.9
Contract	3,303.9	3,299.5	3,268.3	3,259.9	3,251.7	3,254.7	3,313.7	3,385.8
M2M	404.7	416.2	421.5	427.8	438.7	444.4	456.4	467.5
Pay TV	363.8	384.1	400.8	416.0	429.4	444.2	471.0	488.6
Wholesale Accesses	1.9	1.9	1.9	1.9	1.9	1.9	1.9	1.9
Total Accesses	15,130.6	15,054.4	15,405.9	15,691.6	15,779.4	15,310.1	15,589.5	15,826.5

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL MOBILE BUSINESS DATA
Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	5,603	5,525	5,607	5,781	5,591	5,713	6,076	6,273
Data traffic (TB)	6,670	7,454	8,708	9,410	10,516	11,387	12,232	13,520
ARPU (EUR)	6.1	6.4	6.6	6.2	5.5	5.5	4.7	4.6
Prepay	1.7	1.7	1.8	1.8	1.4	1.4	1.3	1.3
Contract (1)	20.4	21.4	22.6	21.5	19.9	19.6	16.4	16.0
Data ARPU (EUR)	1.6	1.7	1.8	1.7	1.7	1.8	1.6	1.6
% non-SMS over data revenues	93.7%	94.7%	95.4%	97.5%	96.9%	97.3%	97.7%	98.2%
Churn	3.0%	3.8%	2.7%	3.0%	3.0%	4.5%	3.4%	3.3%
Contract (1)	2.3%	2.1%	2.2%	2.1%	2.2%	2.3%	2.0%	1.8%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	5,603	11,128	16,735	22,516	5,591	11,304	17,379	23,652
Data traffic (TB)	6,670	14,124	22,832	32,242	10,516	21,902	34,134	47,654
ARPU (EUR)	6.1	6.2	6.3	6.3	5.5	5.5	5.2	5.2
Prepay	1.7	1.7	1.8	1.8	1.4	1.4	1.4	1.4
Contract (1)	20.4	20.9	21.5	21.5	19.9	19.8	18.7	18.0
Data ARPU (EUR)	1.6	1.7	1.7	1.7	1.7	1.7	1.7	1.7
% non-SMS over data revenues	93.7%	94.2%	94.6%	95.3%	96.9%	97.1%	97.3%	97.6%
Churn	3.0%	3.4%	3.2%	3.1%	3.0%	3.8%	3.6%	3.6%
Contract (1)	2.3%	2.2%	2.2%	2.2%	2.2%	2.2%	2.1%	2.1%

Notes:

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

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

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

(1) Excludes M2M.

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TELEFÓNICA MÉXICO
SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	390	403	403	452	1,649	444	458	453	427	1,783
Mobile service revenues	330	346	357	380	1,413	376	391	399	374	1,539
Data revenues	81	84	84	91	340	90	90	95	87	363
Handset revenues	61	57	46	72	236	69	68	55	53	244
OIBDA	60	69	99	109	337	109	105	134	133	481
OIBDA margin	15.3%	17.2%	24.6%	24.1%	20.5%	24.5%	22.9%	29.5%	31.1%	27.0%
CapEx	39	51	53	108	252	47	63	55	101	266
Spectrum	-	-	-	-	-	-	-	-	8	8
OpCF (OIBDA-CapEx)	20	18	46	1	86	62	42	79	32	215

Note:

- OIBDA is presented before management and brand fees.

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TELEFÓNICA MÉXICO
ACCESSES
Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Mobile accesses	19,324.8	20,244.2	20,561.0	21,673.4	22,536.6	23,048.8	23,405.0	24,895.0
Prepay	17,862.0	18,777.4	19,127.6	20,207.5	21,056.6	21,553.9	21,779.8	23,102.0
Contract	1,462.8	1,466.8	1,433.4	1,465.8	1,480.0	1,494.9	1,625.2	1,793.0
M2M	351.0	354.1	362.1	433.7	455.8	485.9	521.2	567.5
Fixed wireless	1,504.8	1,530.6	1,540.4	1,551.3	1,545.6	1,553.8	1,468.9	1,382.9
Total Accesses	20,829.6	21,774.8	22,101.5	23,224.7	24,082.2	24,602.6	24,873.9	26,277.9

SELECTED OPERATIONAL MOBILE BUSINESS DATA
Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	6,626	7,723	7,454	8,807	8,485	8,559	8,587	9,881
Data traffic (TB)	4,460	4,590	6,497	6,832	7,891	7,967	8,991	11,791
ARPU (EUR)	4.6	5.0	5.0	5.2	4.9	4.9	4.7	4.4
Prepay	3.9	4.3	4.4	4.6	4.3	4.3	4.3	3.9
Contract (1)	20.0	19.1	19.2	19.3	19.0	19.2	17.1	15.7
Data ARPU (EUR)	1.3	1.4	1.4	1.4	1.3	1.3	1.4	1.2
% non-SMS over data revenues	65.4%	68.2%	70.2%	73.4%	80.2%	82.0%	76.2%	81.7%
Churn	5.7%	2.9%	3.5%	3.4%	2.8%	3.4%	3.6%	3.4%
Contract (1)	1.1%	1.4%	1.4%	1.6%	1.7%	2.2%	1.6%	1.7%

	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	6,626	14,349	21,804	30,611	8,485	17,044	25,630	35,511
Data traffic (TB)	4,460	9,050	15,547	22,379	7,891	15,858	24,849	36,640
ARPU (EUR)	4.6	4.8	4.9	5.0	4.9	4.9	4.8	4.7
Prepay	3.9	4.1	4.2	4.3	4.3	4.3	4.3	4.2
Contract (1)	20.0	19.5	19.4	19.4	19.0	19.1	18.4	17.6
Data ARPU (EUR)	1.3	1.4	1.4	1.4	1.3	1.3	1.3	1.3
% non-SMS over data revenues	65.4%	66.8%	67.9%	69.3%	80.2%	81.1%	79.3%	79.9%
Churn	5.7%	4.3%	4.0%	3.9%	2.8%	3.1%	3.3%	3.3%
Contract (1)	1.1%	1.3%	1.4%	1.4%	1.7%	1.9%	1.8%	1.8%

Notes:

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

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

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

(1) Excludes M2M.

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TELEFÓNICA VENEZUELA AND CENTRAL AMERICA (1) (2)

SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	274	305	379	462	1,420	426	150	388	414	1,379
Mobile service revenues	258	285	353	409	1,305	385	144	351	380	1,261
Data revenues (3)	82	87	107	121	397	142	40	113	119	414
Handset revenues	16	20	26	53	114	41	6	38	34	119
OIBDA	78	109	125	150	463	105	30	86	121	342
OIBDA margin	28.6%	35.8%	33.1%	32.5%	32.6%	24.7%	20.1%	22.1%	29.1%	24.8%
CapEx	97	38	112	188	435	41	47	91	137	317
Spectrum (4)	79	0	1	46	126	-	-	-	-	-
OpCF (OIBDA-CapEx)	(19)	71	13	(38)	27	64	(17)	(5)	(17)	26

Notes:

- The comparative figures for October-December 2014 have been modified with respect to those presented at the close of December 2014, solely for comparative purposes, due to the conversion to SICAD II 50 VEF/USD of those operations referenced to the Venezuelan bolivar in the first, second and third quarters of 2014. In the January-December 2015 period the consolidated financial statements use the exchange rate of the Venezuelan bolivar set at the denominated SIMADI (as of 31 December 2015 this rate was set at 199 Venezuelan bolivars fuertes per dollar).

- OIBDA is presented before management and brand fees.

(1) Reported figures include the hyperinflationary adjustments in Venezuela in both years. For comparative purposes and to facilitate the interpretation of the year-on-year changes vs. 2014, variations in local currency of the headings affected by the hyperinflation adjustments are reported excluding the impact of this adjustment.

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

(3) Data revenues do not include hyperinflation adjustments.

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

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TELEFÓNICA VENEZUELA AND CENTRAL AMERICA (1)

ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Fixed telephony accesses (2)	1,377.3	1,386.0	1,361.8	1,288.4	1,314.7	1,297.8	1,274.1	1,265.1
Fixed wireless	1,127.4	1,138.2	1,128.7	1,065.0	1,093.5	1,078.1	1,056.0	1,032.2
Internet and data accesses	12.2	12.1	11.9	12.3	12.6	13.0	13.4	13.7
Broadband	4.8	4.9	5.1	5.3	5.6	6.0	6.4	6.7
Mobile accesses	21,813.8	21,919.5	21,947.2	21,471.9	21,899.6	22,161.8	22,316.2	22,666.5
Prepay (3) (4)	19,602.9	19,676.2	19,721.3	19,242.6	19,672.9	19,943.2	20,098.1	20,445.6
Contract	2,210.9	2,243.3	2,225.9	2,229.2	2,226.7	2,218.6	2,218.1	2,220.9
M2M	123.8	129.8	134.9	141.7	147.9	147.7	148.3	149.7
Pay TV	415.3	463.2	472.8	466.6	476.1	480.0	482.1	478.1
Total Accesos	23,618.6	23,780.9	23,793.7	23,239.2	23,703.0	23,952.6	24,085.8	24,423.4

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

(2) Includes fixed wireless and VoIP accesses.

(3) Includes prepay M2M accesses.

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

SELECTED OPERATIONAL MOBILE BUSINESS DATA (1)

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	9,173	9,262	9,413	9,627	10,125	10,215	10,695	11,062
Data traffic (TB)	9,993	10,434	11,848	13,400	14,300	16,472	17,848	21,499
ARPU (EUR) (2)	3.6	3.7	4.1	4.6	5.2	2.9	4.0	4.1
Prepay (3)	3.0	3.0	3.3	3.8	4.4	2.3	3.2	3.4
Contract (4)	10.2	10.9	11.7	12.9	13.4	8.7	12.0	10.6
Data ARPU (EUR) (3) (5)	1.3	1.3	1.5	1.7	2.1	1.1	1.7	1.8
% non-SMS over data revenues	66.7%	70.3%	74.2%	75.4%	79.9%	81.5%	83.6%	86.7%
Churn (3)	2.6%	2.8%	3.1%	4.8%	2.6%	2.9%	2.9%	2.9%
Contract (4)	1.1%	1.2%	1.3%	1.2%	1.1%	1.2%	1.1%	1.0%

	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	9,173	18,435	27,848	37,475	10,125	20,340	31,034	42,097
Data traffic (TB)	9,993	20,427	32,274	45,675	14,300	30,772	48,619	70,118
ARPU (EUR) (2)	3.6	3.7	3.8	4.0	5.2	4.0	4.0	4.0
Prepay (3)	3.0	3.0	3.1	3.3	4.4	3.3	3.3	3.3
Contract (4)	10.2	10.5	10.9	11.4	13.4	11.0	11.3	11.2
Data ARPU (EUR) (3) (5)	1.3	1.3	1.3	1.4	2.1	1.6	1.6	1.7
% non-SMS over data revenues	66.7%	68.5%	70.6%	72.0%	79.9%	80.7%	81.9%	83.4%
Churn (3)	2.6%	2.7%	2.9%	3.3%	2.6%	2.7%	2.8%	2.8%
Contract (4)	1.1%	1.1%	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%

Notes:

- For comparative purposes, the quarterly data for 2014 are reported adjusting the exchange rate in Venezuela from SICAD I to SICAD II 50 VEF/USD for the Telefónica Group, Hispanoamérica and Venezuela and Central America following the adoption of SICAD II 50 VEF/USD.

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

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

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

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

(2) For comparative purposes and in order to facilitate the interpretation of the year-on-year change versus 2014 results, the variation in local currency of the ARPU in Venezuela is reported excluding the impact of the hyperinflation adjustment.

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

(4) Excludes M2M.

(5) Does not include adjustment for hyperinflation.

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TELEFÓNICA ECUADOR

SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	119	121	128	138	508	149	149	150	157	605
Mobile service revenues	112	115	119	126	471	133	133	136	143	546
Data revenues	36	38	37	40	151	45	50	52	55	203
Handset revenues	8	6	10	12	36	15	16	14	14	59
OIBDA	43	45	47	54	188	52	45	47	49	194
OIBDA margin	35.7%	36.7%	36.3%	39.0%	37.0%	35.0%	30.4%	31.5%	31.2%	32.0%
CapEx	6	17	43	37	102	146	28	38	30	241
Spectrum	-	-	-	-	-	133	1	-	(8)	127
OpCF (OIBDA-CapEx)	37	28	4	17	85	(94)	17	10	19	(47)

Note:

- OIBDA is presented before management and brand fees.

TELEFÓNICA URUGUAY

SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	59	55	56	62	232	65	61	56	58	240
Mobile service revenues	56	52	53	58	218	61	57	53	54	224
Data revenues	22	21	22	24	88	26	26	23	24	99
Handset revenues	3	3	3	4	14	4	4	3	5	16
OIBDA	24	20	23	27	94	24	20	19	23	86
OIBDA margin	39.8%	36.8%	41.7%	44.2%	40.7%	37.2%	32.7%	33.5%	40.2%	35.9%
CapEx	5	11	3	13	31	8	6	7	12	33
Spectrum	-	-	-	-	-	-	-	-	-	-
OpCF (OIBDA-CapEx)	19	10	20	14	63	16	14	12	11	53

Note:

- OIBDA is presented before management and brand fees.

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TELEFÓNICA ECUADOR
ACCESSES
Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Mobile accesses	5,174.5	5,155.4	4,995.9	5,002.5	4,675.3	4,545.3	4,355.5	4,000.9
Prepay	4,165.4	4,111.9	3,915.1	3,897.8	3,545.6	3,380.8	3,135.8	2,738.8
Contract	1,009.1	1,043.5	1,080.9	1,104.7	1,129.7	1,164.6	1,219.7	1,262.2
M2M	116.4	124.2	136.9	154.2	173.3	182.7	191.5	196.4
Fixed Wireless	49.5	49.5	51.3	53.1	48.1	43.8	36.7	33.4
Total Accesses	5,224.0	5,204.9	5,047.3	5,055.6	4,723.4	4,589.1	4,392.1	4,034.4

SELECTED OPERATIONAL MOBILE BUSINESS DATA
Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	1,175	1,203	1,212	1,201	1,172	1,253	1,273	1,279
Data traffic (TB)	1,142	1,223	1,315	1,485	1,786	2,213	2,950	3,857
ARPU (EUR)	6.8	7.0	7.3	7.8	8.3	8.9	9.3	10.1
Prepay	4.0	3.9	4.1	4.4	4.6	4.8	5.2	5.6
Contract (1)	21.1	22.1	21.8	22.3	24.5	24.6	23.8	24.1
Data ARPU (EUR)	2.3	2.4	2.4	2.6	3.0	3.6	3.8	4.3
% non-SMS over data revenues	76.8%	78.6%	78.5%	80.6%	82.5%	85.1%	85.8%	87.8%
Churn	2.5%	2.8%	3.7%	3.2%	5.7%	4.6%	5.3%	4.6%
Contract (1)	1.3%	1.3%	1.3%	1.7%	1.6%	1.5%	1.5%	1.5%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice traffic (Million minutes)	1,175	2,378	3,589	4,790	1,172	2,426	3,698	4,977
Data traffic (TB)	1,142	2,366	3,680	5,165	1,786	3,999	6,949	10,806
ARPU (EUR)	6.8	6.9	7.0	7.2	8.3	8.6	8.8	9.1
Prepay	4.0	3.9	4.0	4.1	4.6	4.7	4.9	5.0
Contract (1)	21.1	21.7	21.7	21.9	24.5	24.6	24.3	24.3
Data ARPU (EUR)	2.3	2.3	2.3	2.4	3.0	3.3	3.4	3.6
% non-SMS over data revenues	76.8%	77.7%	78.0%	78.6%	82.5%	83.9%	84.5%	85.5%
Churn	2.5%	2.6%	3.0%	3.0%	5.7%	5.2%	5.2%	5.1%
Contract (1)	1.3%	1.3%	1.3%	1.4%	1.6%	1.6%	1.5%	1.5%

Notes:

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

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

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10^12 bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is also included. Traffic volume non rounded.

(1) Excludes M2M.

TELEFÓNICA URUGUAY
ACCESSES
Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Mobile accesses	1,845.7	1,854.4	1,871.6	1,883.8	1,912.5	1,844.1	1,786.1	1,752.3
Prepay	1,245.8	1,243.2	1,259.6	1,276.9	1,305.3	1,228.4	1,148.7	1,092.3
Contract	599.9	611.2	612.0	606.9	607.1	615.7	637.4	660.0
M2M	35.5	36.6	37.0	40.6	43.7	47.8	52.3	53.7
Total Accesses	1,845.7	1,854.4	1,871.6	1,883.8	1,912.5	1,844.1	1,786.1	1,752.3

SELECTED OPERATIONAL MOBILE BUSINESS DATA
Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice traffic (Million minutes)	850	845	862	864	840	783	801	814
Data traffic (TB)	1,045	1,118	1,318	1,499	1,704	1,937	2,345	2,682
ARPU (EUR)	9.5	9.1	9.2	9.8	10.0	9.8	9.5	9.8
Prepay	4.6	4.3	4.2	4.6	4.5	4.6	4.4	4.6
Contract (1)	20.8	20.1	20.6	21.8	23.2	22.2	20.8	20.2
Data ARPU (EUR)	3.9	3.8	3.9	4.2	4.5	4.5	4.4	4.6
% non-SMS over data revenues	51.5%	54.0%	56.7%	60.8%	67.3%	67.5%	70.0%	69.0%
Churn	1.9%	1.6%	1.4%	1.5%	1.4%	3.0%	3.0%	2.7%
Contract (1)	0.6%	0.6%	0.7%	0.9%	0.7%	0.7%	0.9%	0.7%
	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec	Jan-Mar	Jan-Jun	Jan-Sep	Jan-Dec
Voice traffic (Million minutes)	850	1,695	2,557	3,421	840	1,623	2,424	3,238
Data traffic (TB)	1,045	2,163	3,482	4,981	1,704	3,641	5,986	8,668
ARPU (EUR)	9.5	9.3	9.2	9.4	10.0	9.9	9.8	9.8
Prepay	4.6	4.4	4.4	4.4	4.5	4.6	4.5	4.5
Contract (1)	20.8	20.4	20.5	20.8	23.2	22.7	22.1	21.6
Data ARPU (EUR)	3.9	3.8	3.9	4.0	4.5	4.5	4.5	4.5
% non-SMS over data revenues	51.5%	52.7%	54.0%	55.7%	67.3%	67.4%	68.3%	68.5%
Churn	1.9%	1.7%	1.6%	1.6%	1.4%	2.2%	2.5%	2.5%
Contract (1)	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%	0.8%	0.7%

Notes:

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

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

- Data traffic is defined as Terabytes used by the company customers, both upload and download (1TByte = 10^12 bytes). Promotional traffic is included. Traffic not associated to the Company's mobile customers (roaming-in, MVNOs, interconnection of third parties and other business lines) is also included. Traffic volume non-rounded.

(1) Excludes M2M.

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ADDENDA

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

The following Addenda are included: i) the detailed Income Statement and Accesses and Selected Operational information for Telefónica UK, reported as per the perimeter of discontinued operation, ii) the detailed Income Statements for Telefónica, Telefónica Hispanoamérica and Telefónica Venezuela and Central America prepared under IFRS using in October-December 2014 the exchange rate in use at the time (SICAD II 50.00 VEF/USD), iii) the detailed Income Statement for Telefónica España, including DTS in the consolidation perimeter from January 2015.

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O2 UK

CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	1,644	1,701	1,806	1,914	7,065	1,851	1,953	2,023	2,011	7,837
Mobile service revenues	1,307	1,340	1,389	1,361	5,397	1,379	1,455	1,498	1,447	5,778
Data revenues	747	773	794	781	3,096	804	845	871	848	3,369
Handset revenues and other	337	361	417	553	1,668	472	498	525	564	2,059
Internal expenditure capitalized in fixed assets	20	29	33	40	123	35	42	42	43	162
Operating expenses	(1,262)	(1,333)	(1,416)	(1,506)	(5,516)	(1,425)	(1,479)	(1,534)	(1,636)	(6,074)
Supplies	(805)	(838)	(930)	(988)	(3,561)	(909)	(929)	(939)	(992)	(3,769)
Personnel expenses	(118)	(115)	(120)	(128)	(481)	(129)	(136)	(140)	(144)	(549)
Other operating expenses	(339)	(379)	(367)	(390)	(1,475)	(387)	(414)	(456)	(499)	(1,756)
Other net income (expense)	0	5	6	4	14	(7)	(1)	1	(7)	(14)
Gain (loss) on sale of fixed assets	9	-	49	-	59	-	3	0	1	3
Impairment of goodwill and other assets	(10)	-	-	-	(10)	-	-	-	15	15
Operating income before D&A (OIBDA)	402	402	478	452	1,734	453	517	532	426	1,929
<i>OIBDA Margin</i>	<i>24.5%</i>	<i>23.6%</i>	<i>26.5%</i>	<i>23.6%</i>	<i>24.5%</i>	<i>24.5%</i>	<i>26.5%</i>	<i>26.3%</i>	<i>21.2%</i>	<i>24.6%</i>
CapEx	192	186	202	189	767	212	203	236	231	883
Spectrum	-	-	-	-	-	-	-	-	-	-
OpCF (OIBDA-CapEx)	210	216	276	264	967	241	314	296	196	1,046

*Notes:**- OIBDA and OI before management and brand fees.**- Figures are reported as per the perimeter of discontinued operation.*[back to Index](#)

O2 UK
ACCESSES

Unaudited figures (Thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Final Clients Accesses	23,803.9	24,001.3	24,324.5	24,726.4	24,869.2	25,072.2	25,302.4	25,286.9
Fixed telephony accesses (1)	211.4	217.9	221.5	228.0	232.1	235.4	241.2	247.1
Internet and data accesses	16.4	16.8	17.8	19.2	19.9	20.4	20.5	21.0
Broadband	16.4	16.8	17.8	19.2	19.9	20.4	20.5	21.0
Mobile accesses	23,576.1	23,766.6	24,085.2	24,479.1	24,617.1	24,816.5	25,040.7	25,018.8
Prepay	10,556.7	10,548.6	10,658.4	10,761.2	10,766.1	10,793.1	10,823.2	10,561.4
Contract	13,019.4	13,218.0	13,426.7	13,717.9	13,851.1	14,023.4	14,217.6	14,457.4
M2M	2,038.0	2,096.1	2,116.2	2,192.0	2,201.1	2,234.2	2,289.9	2,383.9
Total Accesses	23,803.9	24,001.3	24,324.5	24,726.4	24,869.2	25,072.2	25,302.4	25,286.9

Notes:

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

MOBILE ACCESSES

Unaudited figures (thousands)

	2014				2015			
	March	June	September	December	March	June	September	December
Prepay percentage (%)	44.8%	44.4%	44.3%	44.0%	43.7%	43.5%	43.2%	42.2%
Contract percentage (%)	55.2%	55.6%	55.7%	56.0%	56.3%	56.5%	56.8%	57.8%
Smartphones ('000)	10,566.8	10,501.2	10,835.1	11,338.0	10,784.8	10,972.4	11,202.4	13,274.4
Prepay	3,317.0	3,268.0	3,358.1	3,566.0	3,343.9	3,370.8	3,451.1	4,275.5
Contract	7,249.8	7,233.2	7,477.1	7,772.0	7,440.9	7,601.6	7,751.3	8,998.9
Smartphone penetration (%)	50.2%	49.6%	50.5%	52.1%	49.3%	49.9%	50.6%	60.4%
Prepay (%)	31.9%	31.5%	32.0%	33.6%	31.4%	31.6%	32.2%	40.9%
Contract (%)	67.9%	67.0%	68.2%	69.9%	66.4%	67.2%	67.9%	78.1%
LTE ('000)	1,096.6	2,198.7	2,995.9	4,121.8	4,906.0	5,769.9	6,631.7	7,661.8
LTE penetration (%)	5.2%	10.4%	14.0%	19.0%	22.4%	26.2%	30.0%	34.9%

SELECTED OPERATIONAL MOBILE BUSINESS DATA

Unaudited figures

	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Voice Traffic (Million minutes)	11,973	12,361	12,252	12,510	12,504	12,515	12,414	12,797
Data traffic (TB)	15,978	20,550	24,199	27,524	30,928	34,685	39,873	45,257
ARPU (EUR)	18.5	18.9	19.3	18.6	18.8	19.6	19.9	19.3
Prepay	7.0	7.3	7.6	7.4	7.4	7.6	7.8	7.8
Contract (1)	32.8	33.3	33.7	32.5	32.7	34.0	34.6	33.0
Data ARPU (EUR)	10.6	10.9	11.1	10.7	10.9	11.4	11.6	11.3
% non-SMS over data revenues	56.5%	58.0%	58.5%	58.7%	58.6%	59.2%	60.2%	59.5%
Churn	2.1%	1.8%	1.9%	1.8%	1.7%	1.6%	1.8%	2.2%
Contract (1)	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	1.0%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
Voice Traffic (Million minutes)	11,973	24,334	36,587	49,096	12,504	25,019	37,434	50,231
Data traffic (TB)	15,978	36,528	60,727	88,251	30,928	65,613	106,279	151,536
ARPU (EUR)	18.5	18.7	18.9	18.8	18.8	19.2	19.4	19.4
Prepay	7.0	7.2	7.3	7.3	7.4	7.5	7.6	7.7
Contract (1)	32.8	33.0	33.3	33.1	32.7	33.3	33.8	33.5
Data ARPU (EUR)	10.6	10.7	10.8	10.8	10.9	11.2	11.3	11.3
% non-SMS over data revenues	56.5%	57.3%	57.7%	57.9%	58.6%	58.9%	59.4%	59.4%
Churn	2.1%	2.0%	1.9%	1.9%	1.7%	1.6%	1.7%	1.8%
Contract (1)	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%

Notes:

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

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

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

(1) Excludes M2M.

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TELEFÓNICA
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	October-December		
	2015	2014	%Var.
Revenues	11,881	10,511	13.0
Internal exp. capitalized in fixed assets	234	198	18.1
Operating expenses	(12,089)	(8,177)	47.8
Supplies	(3,371)	(3,113)	8.3
Personnel expenses	(4,811)	(2,022)	137.9
Other operating expenses	(3,907)	(3,041)	28.5
Other net income (expense)	232	1	n.m.
Gain (loss) on sale of fixed assets	158	208	(24.0)
Impairment of goodwill and other assets	(15)	(2)	n.m.
Operating income before D&A (OIBDA)	401	2,739	(85.4)
<i>OIBDA Margin</i>	<i>3.4%</i>	<i>26.1%</i>	<i>(22.7 p.p.)</i>
Depreciation and amortisation	(2,161)	(1,979)	9.2
Operating income (OI)	(1,760)	760	c.s.
Share of profit (loss) of investments accounted for by the equity method	(1)	(437)	(99.8)
Net financial income (expense)	(684)	(700)	(2.3)
Profit before taxes from continuing operations	(2,445)	(377)	n.m.
Corporate income tax	313	397	(21.2)
Profit for the period from continuing operations	(2,132)	20	c.s.
Profit for the period from discontinued operations	394	104	n.m.
Profit for the period	(1,738)	124	c.s.
Non-controlling interests	(95)	28	c.s.
Net Income	(1,832)	152	c.s.
Weighted average number of ordinary shares outstanding during the period (millions)	4,974	4,667	6.6
Continuing operations earnings per share (euros)	(0.46)	0.00	n.m.
Discontinued operations earnings per share (euros)	0.08	0.02	n.m.
Basic earnings per share (euros)	(0.38)	0.02	c.s.

Notes:

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

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

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

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

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

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

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

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

	October-December		
	2015	2014	%Var.
Revenues	3,622	2,244	61.4
Internal exp. capitalized in fixed assets	39	28	37.7
Operating expenses	(2,652)	(1,813)	46.3
Supplies	(1,060)	(857)	23.7
Personnel expenses	(445)	(341)	30.4
Other operating expenses	(1,147)	(614)	86.8
Other net income (expense)	23	39	(41.3)
Gain (loss) on sale of fixed assets	93	4	n.m.
Impairment of goodwill and other assets	-	-	-
Operating income before D&A (OIBDA)	1,124	503	123.6
<i>OIBDA Margin</i>	<i>31.0%</i>	<i>22.4%</i>	<i>8.6 p.p.</i>
CapEx	857	827	3.7
Spectrum	(4)	213	(101.9)
OpCF (OIBDA-CapEx)	267	(324)	(182.3)

Notes:

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

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TELEFÓNICA VENEZUELA AND CENTRAL AMERICA (1)(2)

CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	October -December		
	2015	2014	%Var.
Revenues	414	(912)	c.s.
Mobile service revenues	380	(876)	c.s.
Data revenues (3)	119	(293)	c.s.
Handset revenues	34	(36)	c.s.
OIBDA	121	(455)	c.s.
OIBDA margin	29.1%	n.m.	n.m.
CapEx	137	(54)	c.s.
Spectrum (4)	-	46	n.m.
OpCF (OIBDA-CapEx)	(17)	(401)	n.m.

Notes:

- OIBDA is presented before management and brand fees.

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

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

(3) Data revenues do not include hyperinflation adjustments.

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

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TELEFÓNICA ESPAÑA
Including DTS from 1 January 2015
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2014					2015				
	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul- Sep	Oct - Dec	Jan - Dec
Revenues	2,992	3,000	2,993	3,038	12,023	3,121	3,205	3,180	3,220	12,726
Revenues ex-handset revenues	2,851	2,824	2,848	2,832	11,355	2,995	3,037	3,034	3,000	12,065
Mobile Business	1,155	1,144	1,118	1,138	4,556	1,024	1,108	1,089	1,117	4,337
Mobile service revenues	1,014	968	974	932	3,888	897	940	942	897	3,677
Data revenues	377	373	379	379	1,508	376	395	430	418	1,619
Handset revenues	141	176	144	207	668	126	167	146	220	661
Fixed Business	2,079	2,105	2,134	2,225	8,543	2,363	2,423	2,414	2,483	9,683
FBB and new services (1)	1,040	1,073	1,115	1,141	4,368	1,392	1,435	1,455	1,478	5,760
Voice & access revenues	921	897	876	854	3,547	779	773	754	770	3,077
Other	119	134	144	230	627	192	215	205	234	846
Internal expenditure capitalized in fixed assets	75	75	73	92	316	88	82	80	100	350
Operating expenses	(1,714)	(1,755)	(1,714)	(1,783)	(6,965)	(1,981)	(2,005)	(1,916)	(4,952)	(10,854)
Supplies	(587)	(649)	(644)	(712)	(2,592)	(779)	(827)	(758)	(867)	(3,231)
Personnel expenses	(526)	(531)	(544)	(538)	(2,139)	(576)	(571)	(574)	(3,477)	(5,198)
Other operating expenses	(602)	(575)	(525)	(533)	(2,234)	(625)	(607)	(584)	(608)	(2,424)
Other net income (expense)	5	8	15	3	32	6	(5)	1	(29)	(28)
Gain (loss) on sale of fixed assets	43	13	11	202	268	46	26	37	27	136
Impairment of goodwill and other assets	0	1	(1)	(2)	(3)	0	0	(1)	4	2
Operating income before D&A (OIBDA)	1,402	1,342	1,376	1,551	5,671	1,280	1,303	1,381	(1,631)	2,332
OIBDA Margin	46.9%	44.7%	46.0%	51.0%	47.2%	41.0%	40.7%	43.4%	n.m.	18.3%
CapEx	267	436	484	546	1,732	420	477	433	505	1,835
Spectrum	-	-	-	-	-	22	27	-	-	49
OpCF (OIBDA-CapEx)	1,136	907	892	1,005	3,939	860	826	948	(2,136)	498

Note:

- The above reported figures have been adjusted to include DTS in Telefónica España's consolidation perimeter from 1 January 2015 and are intended for illustrative purposes only.

- OIBDA and OI before management and brand fees.

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

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