

Telefonica

JANUARY - DECEMBER 2017 REVISED RESULTS

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DISCLAIMER

The financial information related to 2017 contained in this document has been prepared under International Financial Reporting Standards (IFRS), as adopted by the European Union. This information is unaudited.

The following financial information has been revised for fiscal year 2017:

- As announced in January 2018, Telefónica Hispanoamérica is split into two new units from 1 January 2018, in order to more effectively manage the different market situations: Telefónica Hispam Sur (encompassing operations in Argentina, Chile, Peru and Uruguay) and Telefónica Hispam Norte (encompassing operations in Colombia, Mexico, Central America, Ecuador and Venezuela). Intercompany eliminations between T. Hispam Norte and T. Hispam Sur from 1 January 2018 are reported under "Other companies and eliminations" of Telefónica Group. Thus, the results of T. Hispanoamérica and "Other companies and eliminations" of Telefónica Group have been revised for the fiscal year 2017, to reflect the above mentioned new organization. As this is an intragroup change, Telefónica consolidated results for 2017 are not affected.

- **2018 Organic criteria** assumes constant exchange rates (average 2017) except for Venezuela (2017 and 2018 results converted at the closing synthetic exchange rate for each period). For organic comparative purposes, this rate has been fixed at 2,091 VEF/USD at the end of March 2017.

- **January-March 2017 underlying results** exclude the difference from the conversion of Venezuela results at reported DICOM (710 VEF/USD) and the synthetic exchange rate (2,091 VEF/USD).

- The average number of shares for the October-December 2017 period was incorrectly reported. This number has been amended.

Changes in the perimeter of consolidation: Following the pre-payment of the debt derived from the operating agreement with PARAPAT in Colombia and after taking over the subsidiaries Telebucaramanga, Metrotel and Optecom, the consolidated results of these subsidiaries are included in the fixed business of T. Colombia from 1 October 2017. For organic comparative purposes, the results of these subsidiaries are included since 1 January 2017.

-In addition, since 1 July 2017 T. Brasil includes the results of Terra Brasil subsidiary, which was previously presented in "Other Companies & Eliminations" in Telefónica Group. For organic comparative purposes Terra Brasil's results are included since 1 January 2017. This change in the composition of the segments does not affect Telefónica Group consolidated results.

New information has been included since the first quarter 2018 and is also given for comparative purposes from January 2017.

- In T. Group:

- 1) Mobile Wholesale accesses.

- In T. UK:

- 1) Mobile Wholesale accesses.

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TELEFÓNICA

ACCESSES

Unaudited figures (thousands)

	2017				2018			
	March	June	September	December	March	June	September	December
Final Clients Accesses	341,785.7	341,347.3	339,843.1	338,997.9				
Fixed telephony accesses (1)	37,853.0	37,488.4	37,028.0	36,898.6				
Internet and data accesses	21,657.8	21,697.3	21,696.7	21,864.6				
Broadband	21,196.4	21,240.4	21,243.8	21,417.5				
FTTx / Cable	9,580.6	9,960.5	10,511.8	10,961.6				
Mobile accesses	274,055.6	273,886.6	272,742.7	271,766.9				
Prepay	162,648.4	161,271.6	158,662.8	155,868.5				
Contract	111,407.2	112,615.0	114,079.9	115,898.4				
M2M	14,488.0	15,009.9	15,572.9	16,137.2				
Pay TV	8,219.3	8,274.9	8,375.8	8,467.7				
Wholesale Accesses	18,392.2	18,507.4	18,752.0	19,124.9				
Fixed wholesale accesses	5,087.1	4,887.2	4,689.4	4,460.2				
Mobile wholesale accesses	13,305.1	13,620.2	14,062.6	14,664.7				
Total Accesses	360,177.9	359,854.7	358,595.1	358,122.8				

*Notes:**(1) Includes fixed wireless and VoIP accesses.*

MOBILE ACCESSES

Unaudited figures (thousands)

	2017				2018			
	March	June	September	December	March	June	September	December
Contract percentage (%)	40.7%	41.1%	41.8%	42.6%				
Smartphones ('000)	151,547.7	155,126.7	156,511.5	158,717.7				
Smartphone penetration (%)	59.4%	60.9%	61.8%	63.0%				
LTE ('000)	75,458.8	81,604.2	88,978.7	97,534.0				
LTE penetration (%)	29.1%	31.5%	34.6%	38.2%				

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TELEFÓNICA
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

	2017				2018					
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	13,132	12,960	12,754	13,162	52,008					
Internal exp. capitalized in fixed assets	208	222	214	219	863					
Operating expenses	(9,348)	(9,048)	(8,884)	(9,478)	(36,758)					
Supplies	(3,730)	(3,632)	(3,656)	(4,004)	(15,022)					
Personnel expenses	(1,818)	(1,675)	(1,598)	(1,772)	(6,862)					
Other operating expenses	(3,800)	(3,741)	(3,630)	(3,702)	(14,874)					
Other net income (expense)	29	(1)	(3)	(85)	(60)					
Gain (loss) on sale of fixed assets	8	10	18	75	111					
Impairment of goodwill and other assets	(7)	16	(4)	20	24					
Underlying operating income before D&A (OIBDA)	4,094	4,198	4,116	4,230	16,638					
Operating income before D&A (OIBDA)	4,021	4,158	4,095	3,913	16,187					
OIBDA Margin	30.6%	32.1%	32.1%	29.7%	31.1%					
Depreciation and amortisation	(2,451)	(2,358)	(2,322)	(2,265)	(9,396)					
Operating income (OI)	1,570	1,800	1,773	1,648	6,791					
Share of profit (loss) of investments accounted for by the equity method	2	1	2	0	5					
Net financial income (expense)	(449)	(748)	(532)	(470)	(2,199)					
Profit before taxes	1,123	1,053	1,243	1,177	4,597					
Corporate income tax	(314)	(206)	(347)	(352)	(1,219)					
Profit for the period	809	847	896	825	3,378					
Attributable to equity holders of the Parent	779	821	839	693	3,132					
Attributable to non-controlling interests	30	26	57	132	246					
Weighted average number of ordinary shares outstanding during the period (millions)	5,062	5,123	5,125	5,126	5,110					
Basic and diluted earnings per share attributable to equity holders of the Parent (euros)	0.14	0.15	0.15	0.12	0.56					
Underlying basic and diluted earnings per share attributable to equity holders of the Parent (euros)	0.18	0.20	0.19	0.18	0.75					

Notes:

- The weighted average number of ordinary shares outstanding during the period has been obtained applying the IAS rule 33 "Earnings per share". Thereby, the weighted average of shares held as treasury stock have not been taken into account as outstanding shares. On the other hand, the denominator is retrospectively adjusted for transactions that have changed the number of shares outstanding without a corresponding change in equity (as if such transactions had occurred at the beginning of the earliest period presented). 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, until conversion, when the issued shares have been considered.

- After considering Venezuela as a hyperinflationary country, P&L and CapEx from the operations in the country are to be accounted at the closing exchange rate VEF/Euro. For the January-December 2017 period Telefónica uses a synthetic exchange rate of 36,115 Venezuelan bolivars fuertes per dollar at December 2017.

- Basic and diluted earnings per share ratio is calculated dividing Profit for the period Attributable to equity holders of the Parent, adjusted for the net coupon corresponding to "Other equity instruments" (€70m in October-December 17; €276m in January-December 17), by the weighted average number of ordinary shares outstanding during the period.

-The average number of shares for the October-December 2017 period was incorrectly reported. This number has been amended.

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TELEFÓNICA

REVENUES BREAKDOWN

Unaudited figures (Euros in millions)

	2017					2018				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
T. ESPAÑA	3,066	3,160	3,184	3,243	12,653					
T. DEUTSCHLAND	1,771	1,771	1,850	1,904	7,296					
T. UK	1,601	1,607	1,602	1,730	6,540					
T. BRASIL	3,165	3,028	2,935	2,892	12,019					
T. HISPAM SUR (1)	2,117	2,090	1,942	2,068	8,218					
T. HISPAM NORTE (2)(3)	1,168	1,044	1,037	1,082	4,331					
Other companies and eliminations	244	259	204	243	950					
Telxius	188	182	177	183	730					
TOTAL GROUP	13,132	12,960	12,754	13,162	52,008					

Notes:

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

(2) Following the pre-payment of the debt derived from the operating agreement with PARAPAT in Colombia and after taking over the subsidiaries Telebucaramanga, Metrotel and Optecom, the consolidated results of these subsidiaries are included in the fixed business of T. Colombia from 1 October 2017.

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

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TELEFÓNICA

OIBDA BREAKDOWN

Unaudited figures (Euros in millions)

	2017					2018				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
T. ESPAÑA	1,143	1,282	1,306	1,221	4,952					
T. DEUTSCHLAND	400	461	457	503	1,821					
T. UK	416	433	412	377	1,639					
T. BRASIL	1,104	1,034	1,024	1,028	4,191					
T. HISPAM SUR (1)	585	598	567	525	2,275					
T. HISPAM NORTE (2)(3)	320	294	316	334	1,263					
Other companies and eliminations	53	56	13	(76)	46					
Telxius	92	87	82	84	346					
TOTAL GROUP	4,021	4,158	4,095	3,913	16,187					

*Notes:**- OIBDA excludes management and brand fees.**(1) T. Hispam Sur includes Argentina, Chile, Peru and Uruguay.**(2) Following the pre-payment of the debt derived from the operating agreement with PARAPAT in Colombia and after taking over the subsidiaries Telebucaramanga, Metrotel and Optecom, the consolidated results of these subsidiaries are included in the fixed business of T. Colombia from 1 October 2017.**(3) T. Hispam Norte includes Colombia, Mexico, Venezuela, Central America and Ecuador.*[back to Index](#)

TELEFÓNICA
 CAPEX BREAKDOWN
Unaudited figures (Euros in millions)

	2017					2018				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
T. ESPAÑA	333	371	392	586	1,683					
T. DEUTSCHLAND	208	226	254	262	951					
T. UK	225	209	170	223	827					
T. BRASIL	397	518	598	712	2,225					
T. HISPAM SUR (1)	296	349	293	476	1,414					
T. HISPAM NORTE (2)(3)	134	144	638	348	1,264					
Other companies and eliminations	28	68	111	127	334					
Telxius	13	44	79	68	203					
TOTAL GROUP	1,621	1,886	2,455	2,735	8,697					
Spectrum	4	1	498	35	538					

Notes:

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

(2) Following the pre-payment of the debt derived from the operating agreement with PARAPAT in Colombia and after taking over the subsidiaries Telebucaramanga, Metrotel and Optecom, the consolidated results of these subsidiaries are included in the fixed business of T. Colombia from 1 October 2017.

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

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

	2017				2018			
	March	June	September	December	March	June	September	December
Non-current assets	103,786	97,475	97,051	95,135				
Intangible assets	20,275	18,813	18,737	18,005				
Goodwill	28,896	27,362	27,499	26,841				
Property, plant and equipment and Investment properties	36,672	34,202	34,269	34,225				
Investments accounted for by the equity method	70	71	76	77				
Non-current financial assets and others non-currents assets	9,656	8,863	8,402	8,167				
Deferred tax assets	8,216	8,164	8,069	7,820				
Current assets	24,338	22,876	18,901	19,931				
Inventories	1,125	1,029	1,228	1,117				
Current receivables and other current assets	10,601	10,740	10,323	10,093				
Tax receivables	1,481	1,454	1,299	1,375				
Other current financial assets	3,723	3,590	2,354	2,154				
Cash and cash equivalents	7,391	6,046	3,696	5,192				
Non-current assets and disposal groups classified as held for sale	17	17	1	-				
Total Assets = Total Equity and Liabilities	128,124	120,351	115,952	115,066				
Equity	29,903	25,534	26,685	26,618				
Equity attributable to equity holders of the parent and other holders of equity instruments	20,292	16,877	17,339	16,920				
Non-controlling interests	9,611	8,657	9,346	9,698				
Non-current liabilities	64,402	62,331	60,978	59,382				
Non-current financial liabilities	50,117	48,780	47,678	46,332				
Non-current payables and other non-current liabilities	1,879	1,802	1,732	1,687				
Deferred tax liabilities	2,537	2,284	2,260	2,145				
Non-current provisions	9,870	9,465	9,308	9,218				
Current liabilities	33,820	32,486	28,289	29,066				
Current financial liabilities	14,633	13,715	9,730	9,414				
Current payables and other current liabilities	14,494	14,386	14,271	15,095				
Current tax payables	2,444	2,313	2,191	2,341				
Current provisions	2,248	2,072	2,098	2,216				
Financial Data								
Net Financial Debt	48,766	48,487	47,222	44,230				
Net Financial Debt / OIBDA	2.91x	2.86x	2.80x	2.66x				

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TELEFÓNICA UK

ACCESSES

Unaudited figures (Thousands)

	2017				2018			
	March	June	September	December	March	June	September	December
Fixed telephony accesses (1)	277.2	281.3	281.9	283.9				
Internet and data accesses	24.0	24.7	24.8	25.3				
Broadband	24.0	24.7	24.8	25.3				
Mobile accesses	25,009.3	25,139.7	25,283.0	25,003.9				
Prepay	9,375.4	9,427.4	9,477.4	9,203.7				
Contract (2)	15,633.9	15,712.3	15,805.6	15,800.2				
M2M	3,330.3	3,373.1	3,434.4	3,358.9				
Wholesale Accesses	6,879.0	6,859.0	7,018.0	7,162.0				
Mobile wholesale accesses	6,879.0	6,859.0	7,018.0	7,162.0				
Total accesses	32,189.5	32,304.7	32,607.7	32,475.1				

(1) Includes fixed wireless and VoIP accesses.

(2) Includes the disconnection of 228 thousand inactive contract accesses in the first quarter 2017.

MOBILE ACCESSES

Unaudited figures (Thousands)

	2017				2018			
	March	June	September	December	March	June	September	December
Retail mobile accesses	25,009.3	25,139.7	25,283.0	25,003.9				
Wholesale mobile accesses	6,879.0	6,859.0	7,018.0	7,162.0				
Total mobile accesses	31,888.3	31,998.7	32,301.0	32,165.9				

SELECTED OPERATIONAL DATA

Unaudited figures

	2017				2018			
	March	June	September	December	March	June	September	December
Contract percentage (%)	62.5%	62.5%	62.5%	63.2%				
Smartphones ('000)	14,910.2	15,514.3	15,667.9	15,961.0				
Smartphone penetration (%)	71.2%	73.8%	74.3%	76.5%				
LTE ('000)	12,438.0	12,592.0	12,611.0	12,891.1				
LTE penetration (%)	57.4%	57.8%	57.7%	59.6%				
Mobile churn (quarterly)	2.2%	1.5%	1.7%	2.2%				
Contract (1)(2)	1.5%	1.0%	1.0%	1.0%				
Mobile churn (cumulative YTD)	2.2%	1.9%	1.8%	1.9%				
Contract (1)(2)	1.5%	1.2%	1.1%	1.1%				
Mobile ARPU (EUR) (cumulative YTD)	16.1	16.1	16.0	15.9				
Prepay	7.3	7.1	7.0	6.9				
Contract (1)(2)	26.6	27.0	26.8	26.8				
Mobile data traffic (TB) (cumulative YTD)	79,926	173,446	280,109	401,489				

Notes:

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

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

(1) Excludes M2M.

(2) Includes the disconnection of 228 thousand inactive contract accesses in the first quarter 2017.

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

	2017					2018				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	2,117	2,090	1,942	2,068	8,218					
Mobile Business	1,300	1,268	1,174	1,251	4,993					
Mobile service revenues	1,146	1,112	1,012	1,049	4,319					
Data revenues	633	618	588	602	2,442					
Handset revenues	154	156	162	201	673					
Fixed Business	817	822	768	818	3,225					
FBB and new services revenues (1)	437	436	413	436	1,723					
Pay TV revenues	144	144	138	141	568					
Voice & access revenues	237	241	216	240	935					
Internal exp. capitalized in fixed assets	23	21	23	20	87					
Operating expenses	(1,558)	(1,532)	(1,404)	(1,590)	(6,083)					
Supplies	(592)	(566)	(531)	(599)	(2,288)					
Personnel expenses	(328)	(314)	(277)	(350)	(1,269)					
Other operating expenses	(638)	(652)	(596)	(641)	(2,526)					
Other net income (expense)	2	17	5	24	48					
Gain (loss) on sale of fixed assets	(0)	2	2	2	5					
Impairment of goodwill and other assets	-	-	-	-	-					
Operating income before D&A (OIBDA)	585	598	567	525	2,275					
OIBDA Margin	27.6%	28.6%	29.2%	25.4%	27.7%					
CapEx	296	349	293	476	1,414					
Spectrum	(0)	0	28	(1)	27					
OpCF (OIBDA-CapEx)	288	249	275	48	860					

Notes:

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

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

	2017					2018				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	2,117	2,090	1,942	2,068	8,218					
Telefónica Argentina	876	918	810	890	3,495					
Telefónica Chile	561	538	523	564	2,186					
Telefónica Perú	620	578	558	561	2,318					
Telefónica Uruguay	65	60	55	55	235					
Other and eliminations	(5)	(4)	(4)	(3)	(15)					
Service Revenues	1,963	1,934	1,780	1,867	7,544					
Telefónica Argentina	813	843	729	797	3,182					
Telefónica Chile	519	499	482	496	1,995					
Telefónica Perú	575	541	522	526	2,164					
Telefónica Uruguay	60	56	51	51	218					
Other and eliminations	(5)	(4)	(4)	(3)	(15)					
OIBDA	585	598	567	525	2,275					
Telefónica Argentina	231	275	241	224	971					
Telefónica Chile	174	165	158	133	630					
Telefónica Perú	156	137	148	146	588					
Telefónica Uruguay	23	21	21	21	85					
Other and eliminations	-	0	-	-	-					
CapEx	296	349	293	476	1,414					
Telefónica Argentina	151	146	126	179	601					
Telefónica Chile	87	93	58	118	356					
Telefónica Perú	54	103	73	165	394					
Telefónica Uruguay	5	8	36	14	62					
Other and eliminations	0	0	0	0	0					
Spectrum	(0)	0	28	(1)	27					
Telefónica Argentina	-	-	-	-	-					
Telefónica Chile	-	-	-	-	-					
Telefónica Perú	(0)	0	-	-	-					
Telefónica Uruguay	-	-	28	(1)	27					
Other and eliminations	-	-	-	-	-					
OpCF (OIBDA-CapEx)	288	249	275	48	860					
Telefónica Argentina	80	129	115	45	370					
Telefónica Chile	87	72	99	15	274					
Telefónica Perú	103	35	76	(19)	194					
Telefónica Uruguay	18	13	(15)	7	23					
Other and eliminations	0	0	-	-	-					

TELEFÓNICA HISPAM SUR

ACCESSES

Unaudited figures (thousands)

	2017				2018			
	March	June	September	December	March	June	September	December
Final Clients Accesses	60,569.0	59,760.0	59,093.9	58,419.9				
Fixed telephony accesses (1)	8,209.7	8,137.8	8,044.3	7,938.5				
Internet and data accesses	4,687.0	4,687.4	4,688.0	4,656.1				
Broadband	4,565.4	4,566.1	4,567.1	4,535.4				
FTTx/cable	1,246.5	1,297.3	1,514.7	1,656.2				
Mobile accesses	45,718.0	44,955.8	44,352.3	43,775.1				
Prepay	29,273.2	28,787.5	28,344.3	27,631.8				
Contract	16,444.7	16,168.3	16,008.0	16,143.3				
M2M	1,082.3	1,126.1	1,164.9	1,199.8				
Pay TV	1,954.3	1,979.1	2,009.4	2,050.3				
Wholesale Accesses	25.7	25.4	40.1	26.0				
Total Accesses	60,594.7	59,785.4	59,134.0	58,445.9				

Notes:

(1) Includes fixed wireless and VoIP accesses.

MOBILE ACCESSES

Unaudited figures

	2017				2018			
	March	June	September	December	March	June	September	December
Contract percentage (%)	36.0%	36.0%	36.1%	36.9%				
Smartphones ('000)	21,113.6	20,799.2	21,267.5	21,650.2				
Smartphone penetration (%)	47.9%	48.1%	49.9%	51.5%				
LTE ('000)	8,761.2	9,542.5	10,383.5	12,529.0				
LTE penetration (%)	19.6%	21.8%	24.0%	29.4%				

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

	2017					2018				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	1,168	1,044	1,037	1,082	4,331					
Mobile Business	967	860	871	898	3,595					
Mobile service revenues	852	732	758	748	3,089					
Data revenues	437	420	408	412	1,678					
Handset revenues	115	128	113	150	506					
Fixed Business	201	185	166	184	736					
FBB and new services revenues (1)(2)	98	90	86	84	358					
Pay TV revenues	26	21	20	20	87					
Voice & access revenues (2)	78	73	60	79	291					
Internal exp. capitalized in fixed assets	12	13	15	12	51					
Operating expenses	(867)	(781)	(740)	(777)	(3,165)					
Supplies	(367)	(354)	(315)	(349)	(1,385)					
Personnel expenses	(107)	(83)	(85)	(99)	(375)					
Other operating expenses	(393)	(343)	(339)	(330)	(1,405)					
Other net income (expense)	7	5	3	11	27					
Gain (loss) on sale of fixed assets	(0)	12	0	7	19					
Impairment of goodwill and other assets	-	-	-	-	-					
Operating income before D&A (OIBDA)	320	294	316	334	1,263					
OIBDA Margin	27.4%	28.1%	30.5%	30.9%	29.2%					
CapEx	134	144	638	348	1,264					
Spectrum (3)	4	0	470	36	510					
OpCF (OIBDA-CapEx)	186	150	(322)	(14)	(0)					

Notes:

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

(2) Following the pre-payment of the debt derived from the operating agreement with PARAPAT in Colombia and after taking over its subsidiaries Telebucaramanga, Metrotel and Optecom, the consolidated

(3) Spectrum includes €470m in Q3 17 related to the cost of licenses associated with the arbitration award in Colombia in connection with the reversion of certain assets earmarked for the provisions of services under former concessions.

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

	2017					2018				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec
Revenues	1,168	1,044	1,037	1,082	4,331					
Telefónica Colombia	388	368	338	368	1,462					
Telefónica México	314	356	332	334	1,336					
Telefónica Venezuela	98	(32)	23	18	106					
Telefónica Central America	233	216	213	227	890					
Telefónica Ecuador	135	137	132	135	539					
Other and eliminations	(1)	(1)	(1)	(0)	(3)					
Service Revenues	1,053	917	924	931	3,825					
Telefónica Colombia	351	333	306	332	1,322					
Telefónica México	267	294	282	259	1,102					
Telefónica Venezuela	95	(31)	22	18	104					
Telefónica Central America	219	200	199	209	827					
Telefónica Ecuador	122	122	116	114	474					
Other and eliminations	(1)	(1)	(1)	-	(3)					
OIBDA	320	294	316	334	1,263					
Telefónica Colombia	129	124	113	115	482					
Telefónica México	64	81	79	78	302					
Telefónica Venezuela	22	(2)	5	9	34					
Telefónica Central America	63	51	66	83	263					
Telefónica Ecuador	41	39	40	42	163					
Other and eliminations	-	-	13	7	19					
CapEx	134	144	638	348	1,264					
Telefónica Colombia	60	56	542	139	796					
Telefónica México	43	35	53	85	217					
Telefónica Venezuela	3	4	4	(2)	9					
Telefónica Central America	20	30	22	93	165					
Telefónica Ecuador	7	19	17	34	77					
Other and eliminations	(0)	(0)	(0)	(0)	0					
Spectrum	4	0	470	36	510					
Telefónica Colombia	-	-	470	0	470					
Telefónica México	4	0	-	(0)	4					
Telefónica Venezuela	-	-	-	-	-					
Telefónica Central America	-	-	-	36	36					
Telefónica Ecuador	-	-	0	(0)	0					
Other and eliminations	-	-	-	-	-					
OpCF (OIBDA-CapEx)	186	150	(322)	(14)	-					
Telefónica Colombia	70	68	(428)	(24)	(315)					
Telefónica México	21	46	26	(7)	86					
Telefónica Venezuela	19	(5)	1	12	25					
Telefónica Central America	43	21	44	(10)	98					
Telefónica Ecuador	33	20	23	9	86					
Other and eliminations	(0)	(0)	13	7	20					

Notes:

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

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TELEFÓNICA HISPAM NORTE
ACCESSES

Unaudited figures (thousands)

	2017				2018			
	March	June	September	December	March	June	September	December
Final Clients Accesses	72,524.4	71,947.4	71,102.9	72,554.6				
Fixed telephony accesses (1)	3,539.7	3,450.6	3,327.8	3,554.7				
Internet and data accesses (2)	1,006.9	999.9	1,003.0	1,229.2				
Broadband	979.4	971.9	974.3	1,199.9				
FTTx/cable	33.4	54.6	86.5	126.8				
Mobile accesses	66,989.6	66,515.0	65,790.4	66,788.6				
Prepay	57,725.3	57,115.6	56,284.5	57,190.7				
Contract	9,264.2	9,399.4	9,506.0	9,597.9				
M2M	1,545.1	1,582.9	1,635.8	1,686.7				
Pay TV	988.2	981.9	981.6	982.1				
Wholesale Accesses	39.8	39.0	38.9	10.8				
Total Accesses	72,564.2	71,986.4	71,141.8	72,565.4				

Notes:

(1) Includes fixed wireless and VoIP accesses.

(2) Following the pre-payment of the debt derived from the operating agreement with PARAPAT in Colombia and after taking over the subsidiaries Telebucaramanga, Metrotel and Optecom, the consolidated results of these subsidiaries are included in the fixed business of T. Colombia from 1 October 2017.

MOBILE ACCESSES

Unaudited figures

	2017				2018			
	March	June	September	December	March	June	September	December
Contract percentage (%)	13.8%	14.1%	14.4%	14.4%				
Smartphones ('000)	29,294.8	29,657.6	29,224.7	29,704.8				
Smartphone penetration (%)	45.2%	46.1%	46.0%	46.0%				
LTE ('000)	8,280.3	9,426.0	11,336.8	13,626.0				
LTE penetration (%)	12.7%	14.5%	17.7%	21.0%				

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

REVENUES	2017				2018			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
T. ESPAÑA								
REPORTED DATA	3,066	6,226	9,410	12,653				
Changes in the consolidation perimeter	-	-	-	-				
T. ESPAÑA ORGANIC	3,066	6,226	9,410	12,653				
T. DEUTSCHLAND								
REPORTED DATA	1,771	3,542	5,392	7,296				
T. DEUTSCHLAND ORGANIC	1,771	3,542	5,392	7,296				
T. UK								
REPORTED DATA	1,601	3,208	4,810	6,540				
Forex impact	-	-	-	-				
T. UK ORGANIC	1,601	3,208	4,810	6,540				
T. BRASIL								
REPORTED DATA	3,165	6,193	9,128	12,019				
Forex impact	-	-	-	-				
Changes in the consolidation perimeter	19	37	36	36				
T. BRASIL ORGANIC	3,184	6,230	9,164	12,055				
T. HISPAM SUR								
REPORTED DATA	2,117	4,207	6,150	8,218				
Forex impact	-	-	-	-				
Changes in the consolidation perimeter	-	-	-	-				
T. HISPAM SUR ORGANIC	2,117	4,207	6,150	8,218				
T. HISPAM NORTE								
REPORTED DATA	1,168	2,212	3,250	4,331				
Forex impact	-	-	-	-				
Venezuela Synthetic FX	(65)	-	-	-				
Changes in the consolidation perimeter	13	25	36	36				
Tariff increases in Venezuela	-	-	-	(6)				
T. HISPAM NORTE ORGANIC	1,116	2,237	3,286	4,361				
TELEFÓNICA								
REPORTED DATA	13,132	26,091	38,846	52,008				
Forex impact	-	-	-	-				
Venezuela Synthetic FX	(63)	-	-	-				
Changes in the consolidation perimeter	13	25	36	36				
Tariff increases in Venezuela	-	-	-	(6)				
TELEFÓNICA ORGANIC	13,081	26,116	38,882	52,037				
OIBDA	2017				2018			
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
T. ESPAÑA								
REPORTED DATA	1,143	2,425	3,731	4,952				
Changes in the consolidation perimeter	-	-	-	-				
Restructuring charges	76	76	76	165				
Distribution channel reorganisation plan	-	-	-	13				
Capital gains/losses on sale of companies	-	-	-	-				
T. ESPAÑA ORGANIC	1,219	2,501	3,807	5,130				
T. DEUTSCHLAND								
REPORTED DATA	400	861	1,318	1,821				
Changes in the consolidation perimeter	-	-	-	-				
Restructuring charges	11	30	51	82				
T. DEUTSCHLAND ORGANIC	411	891	1,369	1,903				
T. UK								
REPORTED DATA	416	849	1,261	1,639				
Forex impact	-	-	-	-				
Restructuring charges	-	-	-	-				
T. UK ORGANIC	416	849	1,261	1,639				
T. BRASIL								
REPORTED DATA	1,104	2,138	3,162	4,191				
Forex impact	-	-	-	-				
Tower sales	(0)	(0)	(0)	(0)				
Changes in the consolidation perimeter	7	15	15	14				
Restructuring charges	(0)	0	0	0				
Contingencies	-	-	-	50				
T. BRASIL ORGANIC	1,112	2,153	3,177	4,255				
T. HISPAM SUR								
REPORTED DATA	585	1,183	1,750	2,275				
Forex impact	-	-	-	-				
Restructuring charges	1	2	2	78				
T. HISPAM SUR ORGANIC	586	1,185	1,752	2,353				
T. HISPAM NORTE								
REPORTED DATA	320	613	929	1,263				
Forex impact	-	-	-	-				
Venezuela Synthetic FX	(14)	-	-	-				
Tower sales	(0)	(0)	(0)	(7)				
Changes in the consolidation perimeter	7	11	15	15				
Restructuring charges	-	3	3	24				
Capital gains/losses on sale of companies	-	-	-	-				
Impairments	-	-	-	-				
Tariff increases in Venezuela	-	-	-	(2)				
T. HISPAM NORTE ORGANIC	312	627	947	1,294				
TELEFÓNICA								
REPORTED DATA	4,021	8,179	12,274	16,187				
Forex impact	-	-	-	-				
Venezuela Synthetic FX	(15)	-	-	-				
Tower sales	(0)	(0)	(0)	(7)				
Changes in the consolidation perimeter	7	11	15	15				
Restructuring charges	88	113	135	340				
Distribution channel reorganisation plan	-	-	-	13				
Capital gains/losses on sale of companies	-	-	-	-				
Impairments	-	-	-	-				
Tariff increases in Venezuela	-	-	-	(2)				
Contingencies	-	-	-	107				
TELEFÓNICA ORGANIC	4,101	8,303	12,423	16,653				

OPERATING INCOME	2017				2018			
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec
TELEFÓNICA								
REPORTED DATA	1,570	3,370	5,143	6,791				
Forex impact	-	-	-	-				
Venezuela Synthetic FX	23	-	-	-				
Tower sales	(0)	(0)	(0)	(7)				
Changes in the consolidation perimeter	1	-	(1)	(1)				
Restructuring charges	88	113	135	340				
Distribution channel reorganisation plan	-	-	-	13				
Capital gains/losses on sale of companies	-	-	-	-				
Impairments	-	-	-	-				
Tariff increases in Venezuela	-	-	-	(2)				
Contingencies	-	-	-	107				
TELEFÓNICA ORGANIC	1,682	3,483	5,276	7,242				
CAPEX								
T. ESPAÑA								
REPORTED DATA	333	704	1,097	1,683				
Spectrum acquisition	-	-	-	-				
T. ESPAÑA ORGANIC	333	704	1,097	1,683				
T. DEUTSCHLAND								
REPORTED DATA	208	435	688	951				
Spectrum acquisition	(0)	(1)	(1)	(1)				
Changes in the consolidation perimeter	-	-	-	-				
T. DEUTSCHLAND ORGANIC	208	434	688	950				
T. UK								
REPORTED DATA	225	434	604	827				
Forex impact	-	-	-	-				
T. UK ORGANIC	225	434	604	827				
T. BRASIL								
REPORTED DATA	397	915	1,513	2,225				
Forex impact	-	-	-	-				
Spectrum acquisition	-	-	-	-				
Changes in the consolidation perimeter	-	-	-	-				
T. BRASIL ORGANIC	397	915	1,513	2,225				
T. HISPAM SUR								
REPORTED DATA	296	645	938	1,414				
Forex impact	-	-	-	-				
Spectrum acquisition	0	-	(28)	(27)				
T. HISPAM SUR ORGANIC	296	645	910	1,387				
T. HISPAM NORTE								
REPORTED DATA	134	277	915	1,264				
Forex impact	-	-	-	-				
Venezuela Synthetic FX	(2)	-	-	-				
Spectrum acquisition	(4)	(4)	(474)	(510)				
Changes in the consolidation perimeter	3	10	16	16				
T. HISPAM NORTE ORGANIC	131	283	458	770				
TELEFÓNICA								
REPORTED DATA	1,621	3,507	5,962	8,697				
Forex impact	-	-	-	-				
Venezuela Synthetic FX	(2)	-	-	-				
Spectrum acquisition	(4)	(4)	(502)	(538)				
Changes in the consolidation perimeter	3	10	16	16				
TELEFÓNICA ORGANIC	1,618	3,513	5,476	8,175				

OpCF (OIBDA-CapEx)	2017				2018			
	Jan -Mar	Jan -Jun	Jan -Sep	Jan -Dec	Jan -Mar	Jan -Jun	Jan -Sep	Jan -Dec
T. ESPAÑA								
REPORTED DATA	810	1,720	2,634	3,269				
Spectrum acquisition	-	-	-	-				
Changes in the consolidation perimeter	-	-	-	-				
Restructuring charges	76	76	76	165				
Distribution channel reorganisation plan	-	-	-	13				
Capital gains/losses on sale of companies	-	-	-	-				
T. ESPAÑA ORGANIC	886	1,796	2,710	3,447				
T. DEUTSCHLAND								
REPORTED DATA	192	426	630	870				
Spectrum acquisition	0	1	1	1				
Changes in the consolidation perimeter	-	-	-	-				
Restructuring charges	11	30	51	82				
T. DEUTSCHLAND ORGANIC	203	457	681	953				
T. UK								
REPORTED DATA	191	415	658	812				
Forex impact	-	-	-	-				
Restructuring charges	-	-	-	0				
T. UK ORGANIC	191	415	658	812				
T. BRASIL								
REPORTED DATA	707	1,223	1,649	1,966				
Forex impact	-	-	-	-				
Tower sales	(0)	(0)	(0)	(0)				
Changes in the consolidation perimeter	7	15	15	14				
Spectrum acquisition	-	-	-	-				
Restructuring charges	(0)	0	0	0				
Contingencies	-	-	-	50				
T. BRASIL ORGANIC	715	1,238	1,664	2,030				
T. HISPAM SUR								
REPORTED DATA	288	537	812	860				
Forex impact	-	-	-	-				
Spectrum acquisition	(0)	-	28	27				
Restructuring charges	1	2	2	78				
T. HISPAM SUR ORGANIC	289	540	843	966				
T. HISPAM NORTE								
REPORTED DATA	186	336	14	(0)				
Forex impact	-	-	-	-				
Venezuela Synthetic FX	(12)	-	-	-				
Tower sales	(0)	(0)	(0)	(7)				
Spectrum acquisition	4	4	474	510				
Changes in the consolidation perimeter	4	1	(1)	(1)				
Restructuring charges	-	3	3	24				
Capital gains/losses on sale of companies	-	-	-	-				
Impairments	-	-	-	-				
Tariff increases in Venezuela	-	-	-	(2)				
T. HISPAM NORTE ORGANIC	181	344	489	524				
TELEFÓNICA								
REPORTED DATA	2,400	4,672	6,312	7,490				
Forex impact	-	-	-	-				
Venezuela Synthetic FX	(13)	-	-	-				
Tower sales	(0)	(0)	(0)	(7)				
Spectrum acquisition	4	4	502	538				
Changes in the consolidation perimeter	4	1	(1)	(1)				
Restructuring charges	88	113	135	340				
Distribution channel reorganisation plan	-	-	-	13				
Capital gains/losses on sale of companies	-	-	-	-				
Impairments	-	-	-	-				
Tariff increases in Venezuela	-	-	-	(2)				
Contingencies	-	-	-	107				
TELEFÓNICA ORGANIC	2,483	4,791	6,948	8,478				

Note:

- 2018 Organic criteria assumes constant exchange rates (average 2017) except for Venezuela (2017 and 2018 results converted at the closing synthetic exchange rate for each period). For organic comparative purposes, this rate has been fixed at 2,091 VEF/USD at the end of March 2017.

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

OIBDA	2017				2018			
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec
TELEFÓNICA								
REPORTED DATA	4,021	8,179	12,274	16,187				
Tower sales	(0)	(0)	(0)	(7)				
Restructuring charges	88	113	135	340				
Impairments	-	-	-	-				
Distribution channel reorganisation plan	-	-	-	13				
Capital gains/losses on sale of companies	-	-	-	-				
Tariff increases in Venezuela	-	-	-	(2)				
Venezuela Synthetic FX	(15)	-	-	-				
Contingencies	-	-	-	107				
TELEFÓNICA UNDERLYING	4,094	8,292	12,408	16,638				

NET INCOME	2017				2018			
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec
TELEFÓNICA								
REPORTED DATA	779	1,600	2,439	3,132				
PPA	118	267	396	522				
Tower sales	(0)	(0)	(0)	(3)				
Restructuring charges	63	75	85	205				
Impairments	-	30	30	30				
Distribution channel reorganisation plan	-	-	-	10				
Capital gains/losses on sale of companies (controlled & non controlled)	-	79	79	79				
Tariff increases in Venezuela	-	-	-	(1)				
Venezuela Synthetic FX	3	-	-	-				
Contingencies	-	-	44	111				
TELEFÓNICA UNDERLYING	963	2,052	3,073	4,085				

Notes:

- **Underlying criteria:** Reported figures excluding the impact of write-downs, capital gains/losses from companies' disposals, tower sales, material non-recurring impacts and restructuring costs, as well as amortisation charges arising from purchase price allocation processes.
- January-March 2017 underlying results exclude the difference from the conversion of Venezuela results at reported DICOM (710 VEF/USD) and the synthetic exchange rate (2,091 VEF/USD).

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