



JANUARY - JUNE 2019 RESULTS

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DISCLAIMER

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

Changes in the perimeter of consolidation:

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

- The remaining operations of Central America (El Salvador, Panama and Costa Rica) will continue in the consolidation perimeter until the announced transactions become effective.

New information has been included since the first quarter 2019:

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

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

- Net financial debt calculation has been redefined since the first quarter of 2019 excluding the mark to market adjustment of the unmatured cash flow hedges associated to debt instruments. This change seeks to eliminate the asymmetry generated by the accounting valuation method of both financial instruments; the debt instrument valued at amortized cost and the derivative at market value. This new methodology is more aligned with that used by credit rating agencies and is also used by other companies in the sector. The change has been applied to all comparative periods.

- Likewise, after the entry into force of IFRS 16 Leases, the distinction between finance leases and operating leases disappears for the purpose of computing the payment obligation. As a result, for comparison purposes, the net financial debt figure of the comparative periods has been modified to exclude the lease liability of finance leases.

- The leverage ratio is calculated as the ratio of net financial debt over OIBDA for the past 12 months, including or excluding the OIBDA of the companies which are incorporated or removed from the perimeter of consolidation, and excluding certain factors in line with the calculation of organic OIBDA. Likewise, OIBDA excludes the impact of IFRS 16 and includes the expense corresponding to the amortization of assets under finance leases whose payment obligation has been excluded from the calculation of net financial debt in comparative periods, as explained above.

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

TELEFÓNICA

ACCESSES

Unaudited figures (thousands)

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

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

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

MOBILE ACCESSES

Unaudited figures (thousands)

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

TELEFÓNICA
CONSOLIDATED INCOME STATEMENT
Unaudited figures (Euros in millions)

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

Notes:

- Group consolidated results deconsolidate T. Nicaragua since 1 May 2019, Telefónica Guatemala's results since 1 January 2019 and Antares' results since 1 February 2019.
- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.
- The weighted average number of ordinary shares outstanding during the period has been obtained applying the IAS rule 33 "Earnings per share". Thereby, the weighted average of shares held as treasury stock have not been taken into account as outstanding shares.
- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro. Consolidated reported results for July-September 2018 have been calculated taking as a reference first half 2018 results adjusted by inflation in Argentina. For comparative purposes only, hyperinflation adjustment would have been -€2m in Revenues, -€13m in OIBDA, -€71m in OI and -€60m in Net Income for the Jan-Mar 2018 period and -€255m in Revenues, -€92m in OIBDA, -€98m in OI and -€97m in Net Income for the Apr-Jun 2018 period.
- After considering Venezuela as a hyperinflationary country, P&L and CapEx from the operations in the country are to be accounted at the closing exchange rate Bolivar Soberano/Euro. As of the closing of June 2019 Telefónica uses a synthetic exchange rate of 7,919.5 Venezuelan bolivars soberanos per dollar. For the January-June 2018 period the synthetic exchange used is based on the Bolivar Fuerte.
- Basic and diluted earnings per share ratio is calculated dividing Profit for the period Attributable to equity holders of the Parent, adjusted for the net coupon corresponding to "Other equity instruments" (€152m in January-June 2019 and €277m in January-June 2018), by the weighted average number of ordinary shares outstanding during the period.

TELEFÓNICA
CONSOLIDATED REVENUES BREAKDOWN
Unaudited figures (Euros in millions)

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

TELEFÓNICA

REVENUES BREAKDOWN

Unaudited figures (Euros in millions)

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

Notes:

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

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

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

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

TELEFÓNICA

OIBDA BREAKDOWN

Unaudited figures (Euros in millions)

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

Notes:

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

- OIBDA before management and brand fees.

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

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

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

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

TELEFÓNICA

CAPEX BREAKDOWN

Unaudited figures (Euros in millions)

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

Notes:

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

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

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

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

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

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

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

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

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

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

Notes:

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

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

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

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

Notes:

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

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

(2) Includes government grants received

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

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

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

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

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

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

TELEFÓNICA

RECONCILIATIONS OF CASH FLOW AND OIBDA MINUS CAPEX

Unaudited figures (Euros in millions)

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

Notes:

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

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

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

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

TELEFÓNICA
EXCHANGE RATES APPLIED TO P&L AND CAPEX

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

Note:

- Average exchange rate for the period.

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

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

EXCHANGE RATES APPLIED TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

Notes:

- Exchange rates as of the end of the period.

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

TELEFÓNICA
2019 MAIN LONG TERM FINANCING OPERATIONS
Unaudited figures

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

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

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

(1) Maximum coupon and maturity date.

(2) Maximum maturity date.

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

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

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

Notes:

Criteria for guidance 2019:

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

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

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

Notes:

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

- OIBDA before management and brand fees.

(1) Consumer revenues include residential and SOHO revenues.

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

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

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

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

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

TOTAL MOBILE ACCESSES
Unaudited figures (thousands)

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

CONSUMER CONVERGENT
Unaudited figures (thousands)

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

CONSUMER CONVERGENT
Unaudited figures

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

SELECTED OPERATIONAL DATA
Unaudited figures

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

Notes:

- Convergent: Fusión and Multibrand included from Q4 2018.

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

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

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

Note:

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

- OIBDA before management and brand fees.

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

TELEFÓNICA DEUTSCHLAND

ACCESSES

Unaudited figures (Thousands)

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

(1) Includes fixed wireless and VoIP accesses.

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

SELECTED OPERATIONAL DATA

Unaudited figures

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

Notes:

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

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

(1) Excludes M2M.

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

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

Notes:

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

TELEFÓNICA UK

ACCESSES

Unaudited figures (Thousands)

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

(1) Includes fixed wireless and VoIP accesses.

MOBILE ACCESSES

Unaudited figures (Thousands)

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

SELECTED OPERATIONAL DATA

Unaudited figures

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

Notes:

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

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

(1) Excludes M2M.

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

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

Notes:

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

- OIBDA before management and brand fees.

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

TELEFÓNICA BRASIL

ACCESSES

Unaudited figures (thousands)

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

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA

Unaudited figures

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

Notes:

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

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

(1) Excludes M2M.

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

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

Notes:

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

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

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

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

- OIBDA before management and brand fees.

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

TELEFÓNICA HISPAM SUR

ACCESSES

Unaudited figures (thousands)

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

Notes:

(1) Includes fixed wireless and VoIP accesses.

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

MOBILE ACCESSES

Unaudited figures

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

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

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

Note:

- January-June 2019 results reported under accounting standard IFRS 16, effective since January 2019. 2018 results reported under prior accounting standard IAS 17.
- OIBDA is presented before management and brand fees.
- Following the consideration of the Argentine economy as hyperinflationary from an accounting perspective for periods ended after 1 July 2018, the operations of Telefónica in Argentina adjusted by inflation are to be accounted at the closing exchange rate Argentine Peso/Euro. Consolidated reported results for July-September 2018 have been calculated taking as a reference first half 2018 results adjusted by inflation in Argentina. For comparative purposes only, hyperinflation adjustment would have been -€2m in Revenues, -€13m in OIBDA, -€1m in CapEx and -€12m in OpCF for the Jan-Mar 2018 period and -€257m in Revenues, -€87m in OIBDA, -46€m in CapEx and -€41m in OpCF for the Apr-Jun 2018 period.
- (1) Includes broadband connectivity services (retail and wholesale), including value-added services, data and ICT revenues, other services over connectivity and FBB equipment.

TELEFÓNICA ARGENTINA

ACCESSES

Unaudited figures (Thousands)

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

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA

Unaudited figures

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

Notes:

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

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

(1) Excludes M2M.

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

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

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

Notes:

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

- OIBDA is presented before management and brand fees.

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

TELEFÓNICA CHILE

ACCESSES

Unaudited figures (Thousands)

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

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA

Unaudited figures

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

Notes:

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

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

(1) Excludes M2M.

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

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

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

Note:

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

- OIBDA is presented before management and brand fees.

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

TELEFÓNICA PERÚ

ACCESSES

Unaudited figures (Thousands)

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

(1) Includes fixed wireless and VoIP accesses.

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

SELECTED OPERATIONAL DATA

Unaudited figures

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

Notes:

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

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

(1) Excludes M2M.

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

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

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

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

Notes:

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

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

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

Notes:

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

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

- OIBDA before management and brand fees.

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

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

TELEFÓNICA HISPAM NORTE
ACCESSES
Unaudited figures (thousands)

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

Notes:

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

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA
Unaudited figures

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

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

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

Note:

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

- OIBDA is presented before management and brand fees.

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

TELEFÓNICA COLOMBIA

ACCESSES

Unaudited figures (Thousands)

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

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA

Unaudited figures

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

Notes:

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

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

(1) Excludes M2M.

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

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

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

Note:

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

TELEFÓNICA MÉXICO

ACCESSES

Unaudited figures (Thousands)

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

SELECTED OPERATIONAL DATA

Unaudited figures

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

Notes:

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

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

(1) Excludes M2M.

APPENDIX

ALTERNATIVE PERFORMANCE MEASURES

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

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

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

TELEFÓNICA
RECONCILIATION OF OIBDA
Unaudited figures (Euros in millions)

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

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

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

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

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

Notes:

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

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

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

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

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

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

Notes:

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

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

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

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

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

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

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

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

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

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

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

Note:

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

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

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

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

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

Notes:

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

TELEFÓNICA
SELECTED FINANCIAL DATA
Unaudited figures (Euros in millions)

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

Notes:

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

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

- OIBDA before management and brand fees.

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

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

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

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

TELEFÓNICA

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Unaudited figures (Euros in millions)

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

Notes:

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

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

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

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

- No data available in 2018.