

Telefonica

JANUARY - SEPTEMBER 2019 RESULTS

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DISCLAIMER

The financial information related to 2018 and in the first nine 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, T. Nicaragua and T. Panamá 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). T. Panamá was deconsolidated as of 1 September 19 following the sale of the asset. The Co. contributed in January-December 2018 to Telefónica Group with €182m in revenues, €75m in OIBDA and €24m in Capex (€185m, €76m and €24m, respectively at T. Hispam Norte level) and with total accesses of 1.7m as of June 2019 (1.5m mobile prepay).

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

- Telefónica Group's January-September 2019 results were affected by the exit from the perimeter of consolidation of 9 Data Centers since 1 September 2019. The corresponding capital gains amounted to €197m in July-September at OIBDA level (of which €109m in Other Companies, €29m in T. Hispam Sur, €27m in T. España, €15m in T. Brasil and €17m in T. Hispam Norte).

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.

Due to the entry into force of IFRS 16 in 2019, it has been considered appropriate to present the underlying result in accordance with current accounting standards (previously presented excluding the impact of IFRS 16). Also, it has been considered appropriate no longer to exclude the hyperinflation adjustment. This measure cannot be presented comparatively with periods prior to 2019. However, the Company provides quarterly data for 2019.

TELEFÓNICA

ACCESSES

Unaudited figures (thousands)

	2018				2019		
	March	June	September	December	March	June	September
Final Clients Accesses	338,190.8	338,830.1	337,396.8	337,051.5	331,995.4	326,231.2	324,975.2
Fixed telephony accesses (1)	36,674.0	36,281.6	35,733.5	35,273.6	34,262.8	33,202.5	32,338.2
Internet and data accesses	21,827.0	21,911.5	22,087.7	22,087.5	21,956.2	21,788.5	21,596.2
Broadband	21,385.9	21,460.2	21,638.0	21,645.2	21,586.5	21,449.2	21,262.9
FTTx / Cable	11,491.8	12,216.0	12,766.4	13,213.1	13,580.5	13,931.1	14,191.8
Mobile accesses	271,084.9	271,901.0	270,730.3	270,814.9	266,948.5	262,471.8	262,439.1
Prepay	153,623.2	152,234.0	149,131.7	147,062.0	142,125.6	135,997.9	134,228.9
Contract	117,461.7	119,667.0	121,598.5	123,752.9	124,822.9	126,473.9	128,210.1
M2M	16,778.1	17,623.4	18,397.9	19,483.0	20,388.6	21,357.5	22,390.1
Pay TV	8,604.9	8,736.1	8,845.3	8,875.4	8,828.0	8,768.5	8,601.7
Wholesale Accesses	19,021.1	18,966.5	19,207.0	19,520.0	20,419.6	20,349.2	20,845.4
Fixed wholesale accesses	4,222.2	4,082.6	3,987.7	3,951.5	3,895.1	3,859.9	3,851.1
Mobile wholesale accesses	14,798.9	14,883.9	15,219.3	15,568.5	16,524.5	16,489.3	16,994.3
Total Accesses	357,211.9	357,796.6	356,603.8	356,571.5	352,415.0	346,580.4	345,820.6

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

(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	September
Contract percentage (%)	43.3 %	44.0 %	44.9 %	45.7 %	46.8 %	48.2 %	48.9 %
Smartphones ('000)	161,572.5	163,886.0	166,794.1	167,693.5	166,241.7	165,070.0	168,284.4
Smartphone penetration (%)	64.4 %	65.3 %	66.9 %	67.5 %	68.2 %	69.1 %	70.8 %
LTE ('000)	102,910.4	106,617.8	111,529.1	117,369.5	121,494.0	126,229.0	129,790.4
LTE penetration (%)	40.5 %	41.9 %	44.2 %	46.7 %	49.3 %	52.4 %	54.1 %

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	Jul - Sep
Revenues	12,190	12,144	11,699	12,917	48,693	11,979	12,142	11,902
Internal exp. capitalised in fixed assets	193	211	193	220	815	209	222	214
Operating expenses	(8,533)	(8,036)	(7,980)	(9,560)	(33,955)	(8,114)	(8,259)	(9,897)
Supplies	(3,317)	(3,362)	(3,366)	(3,998)	(14,013)	(3,273)	(3,261)	(3,357)
Personnel expenses	(1,570)	(1,555)	(1,401)	(1,860)	(6,332)	(1,506)	(1,522)	(3,289)
Other operating expenses	(3,647)	(3,120)	(3,213)	(3,702)	(13,611)	(3,335)	(3,475)	(3,251)
Other net income (expense)	5	(12)	62	88	142	72	22	72
Gain (loss) on sale of fixed assets	12	40	65	100	217	118	324	459
Impairment of goodwill and other assets	(2)	(109)	(1)	(228)	(341)	(0)	(13)	(2)
Underlying operating income before D&A (OIBDA)						4,109	4,259	4,243
Operating income before D&A (OIBDA)	3,864	4,237	4,038	3,537	15,571	4,264	4,438	2,748
OIBDA Margin	31.7 %	34.9 %	34.5 %	27.4 %	32.0 %	35.6 %	36.5 %	23.1 %
Depreciation and amortisation	(2,227)	(2,178)	(2,112)	(2,468)	(9,049)	(2,614)	(2,633)	(2,580)
Operating income (OI)	1,638	2,059	1,926	1,068	6,522	1,650	1,804	169
Share of profit (loss) of investments accounted for by the equity method	2	2	(3)	2	4	4	3	2
Net financial income (expense)	(381)	(1)	(209)	(380)	(955)	(411)	(240)	(540)
Profit before taxes	1,259	2,060	1,714	691	5,571	1,243	1,568	(369)
Corporate income tax	(359)	(939)	(366)	48	(1,621)	(234)	(522)	102
Profit for the period	900	1,121	1,348	739	3,950	1,009	1,046	(267)
Attributable to equity holders of the Parent	837	902	1,139	610	3,331	926	862	(443)
Attributable to non-controlling interests	64	218	209	128	619	83	184	176
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	5,114
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	(0.10)
Underlying basic and diluted earnings per share attributable to equity holders of the Parent (euros)						0.16	0.16	0.14

Notes:

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

- January-September 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 September 2019 Telefónica uses a synthetic exchange rate of 33,777.1 Venezuelan bolivars soberanos per dollar. For the January-June 2018 period the synthetic exchange used is based on the Bolivar Fuerte, while for the periods onwards the synthetic exchange used was based on the Bolivar Soberano.

- 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" (€216m in January-September 2019 and €340m in January-September 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	Jul - Sep
Revenues	100 %	100 %	100 %	100 %	100 %	100 %	100 %	100 %
Voice & access	36 %	35 %	35 %	34 %	35 %	32 %	32 %	32 %
Broadband Connectivity	39 %	39 %	38 %	35 %	38 %	39 %	39 %	38 %
Services over Connectivity (SoC)	13 %	15 %	14 %	16 %	15 %	17 %	17 %	17 %
Handsets	9 %	9 %	10 %	13 %	10 %	11 %	11 %	11 %
Others	2 %	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	Jul - Sep
T. ESPAÑA	3,098	3,167	3,188	3,253	12,706	3,108	3,175	3,218
T. DEUTSCHLAND	1,767	1,758	1,830	1,965	7,320	1,779	1,785	1,865
T. UK	1,586	1,638	1,721	1,846	6,790	1,691	1,720	1,773
T. BRASIL	2,705	2,522	2,345	2,553	10,126	2,563	2,467	2,507
T. HISPAM SUR (1)	1,833	1,798	1,315	1,988	6,677	1,612	1,743	1,430
T. HISPAM NORTE (2)	971	1,027	1,041	1,037	4,075	971	1,014	895
Other companies and eliminations	230	234	259	275	1,000	256	238	214
Telxius	180	186	231	195	792	219	216	200
TOTAL GROUP	12,190	12,144	11,699	12,917	48,693	11,979	12,142	11,902

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

TELEFÓNICA

OIBDA BREAKDOWN

Unaudited figures (Euros in millions)

	2018				2019			
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
T. ESPAÑA	1,224	1,283	1,290	966	4,763	1,350	1,322	(353)
T. DEUTSCHLAND	403	479	470	482	1,834	522	578	597
T. UK	430	450	464	522	1,865	504	548	543
T. BRASIL	982	1,275	1,075	979	4,311	1,050	1,001	1,071
T. HISPAM SUR (1)	517	507	311	483	1,719	441	495	331
T. HISPAM NORTE (2)	258	176	314	45	793	263	261	274
Other companies and eliminations	51	68	114	59	286	134	232	286
Telxius	86	87	107	91	370	129	124	128
TOTAL GROUP	3,864	4,237	4,038	3,537	15,571	4,264	4,438	2,748

Notes:

- January-September 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 (Hispan Sur) for the Jan-Mar 2018 period and -€92m (Group), -€86m (Hispan Sur) and -€6m (Other companies and eliminations) 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 T. Panamá since 1 September 2019, T. Nicaragua since 1 May 2019, T. Guatemala since 1 January 2019 and Antares' results since 1 February 2019.

TELEFÓNICA

CAPEX BREAKDOWN

Unaudited figures (Euros in millions)

	2018					2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
T. ESPAÑA	346	432	379	562	1,719	377	435	382
T. DEUTSCHLAND	197	228	316	226	966	252	243	1,711
T. UK	183	804	215	263	1,464	185	224	242
T. BRASIL	388	504	530	488	1,910	396	538	553
T. HISPAM SUR (1)	251	302	178	431	1,116	243	250	185
T. HISPAM NORTE (2)	53	111	133	371	668	78	106	143
Other companies and eliminations	73	61	45	96	274	22	34	57
Telxius	57	41	34	49	181	9	85	84
TOTAL GROUP	1,490	2,441	1,795	2,438	8,119	1,554	1,831	3,273
Spectrum	7	588	19	255	868	18	4	1,443

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 (Hispan Sur) for the Jan-Mar 2018 period and -€46m (Group) and -€46m (Hispan Sur) 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 T. Panamá since 1 September 2019, T. Nicaragua since 1 May 2019, T. Guatemala since 1 January 2019 and Antares' results since 1 February 2019.

	2018				2019		
	March	June	September	December	March	June	September
Non-current assets	93,933	91,567	91,248	90,707	97,197	95,970	97,123
Intangible assets	17,369	17,118	16,822	16,856	16,404	15,980	16,767
Goodwill	26,566	25,527	25,739	25,748	26,000	25,870	25,409
Property, plant and equipment	33,660	32,674	33,125	33,295	33,085	32,523	32,006
Rights of use	n.a.	n.a.	n.a.	n.a.	7,382	7,404	7,087
Investments accounted for by the equity method	70	68	65	68	64	137	137
Financial assets and other non-current assets	8,369	8,768	8,118	7,109	7,350	7,117	8,399
Deferred tax assets	7,899	7,412	7,378	7,631	6,912	6,939	7,318
Current assets	20,840	19,384	22,015	23,340	26,591	26,774	27,220
Inventories	1,174	1,220	1,813	1,692	1,588	1,707	2,347
Receivables and other current assets	10,800	10,816	10,528	10,579	10,567	10,816	10,547
Tax receivables	1,103	1,092	1,246	1,676	1,626	2,008	1,612
Other current financial assets	2,941	2,552	2,204	2,209	2,977	3,188	3,043
Cash and cash equivalents	4,822	3,662	6,138	5,692	8,356	7,588	8,778
Non-current assets classified as held for sale	1	42	86	1,492	1,477	1,467	893
Total Assets = Total Equity and Liabilities	114,773	110,951	113,263	114,047	123,788	122,744	124,343
Equity	27,218	23,715	25,194	26,980	28,517	26,449	25,235
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	16,874
Equity attributable to non-controlling interests	9,490	8,894	8,921	9,033	9,038	8,583	8,361
Non-current liabilities	61,820	59,397	59,881	57,418	64,394	64,418	68,211
Non-current financial liabilities	48,850	46,798	47,482	45,334	46,571	46,508	47,611
Non-current lease liabilities	n.a.	n.a.	n.a.	n.a.	5,616	5,746	5,631
Payables and other non-current liabilities	1,749	1,823	1,827	1,890	1,986	1,998	3,342
Deferred tax liabilities	2,222	2,360	2,579	2,674	2,669	2,666	2,619
Non-current provisions	8,999	8,416	7,993	7,520	7,551	7,500	9,008
Current liabilities	25,735	27,839	28,188	29,649	30,877	31,877	30,897
Current financial liabilities	7,053	7,972	8,506	9,368	10,655	10,077	9,288
Current lease liabilities	n.a.	n.a.	n.a.	n.a.	1,529	1,589	1,509
Payables and other current liabilities	14,073	15,485	15,641	15,485	14,244	15,617	15,732
Current tax payables	2,367	2,252	1,981	2,047	1,962	2,094	1,831
Current provisions	2,243	2,130	2,056	1,912	1,828	1,963	2,174
Liabilities associated with non-current assets held for sale	-	-	4	837	659	537	363
Financial Data							
Net Financial Debt (1)	42,837	42,651	41,658	41,074	40,381	40,230	38,293
Net Financial Debt plus lease liabilities	n.a.	n.a.	n.a.	n.a.	47,820	47,772	45,594
Net Financial Debt / OIBDA	2.62x	2.64x	2.64x	2.62x	2.61x	2.62x	2.49x

- 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	Jan - Sep
Cash received from operations	15,069	29,760	43,393	58,815	14,737	28,790	42,921
Cash paid from operations	(11,729)	(22,317)	(32,382)	(42,891)	(11,081)	(20,995)	(31,138)
Net payments of interest and other financial expenses net of dividends received	(698)	(986)	(1,283)	(1,636)	(673)	(972)	(1,058)
Net interest and other financial expenses paid	(709)	(1,008)	(1,305)	(1,664)	(681)	(995)	(1,082)
Dividends received	11	22	22	28	9	23	24
Taxes proceeds/(paid)	(21)	(356)	(518)	(865)	676	471	328
Net cash flow provided by operating activities	2,621	6,101	9,210	13,423	3,659	7,294	11,053
(Payments)/proceeds on investments in property, plant and equipment and intangible assets	(2,104)	(4,582)	(6,345)	(8,585)	(1,990)	(3,834)	(5,902)
Proceeds from the sale in property, plant and equipment and intangible assets	10	25	102	192	38	367	478
Payments on investments in property, plant and equipment and intangible assets	(2,114)	(4,607)	(6,447)	(8,777)	(2,028)	(4,201)	(6,380)
Proceeds on disposals of companies, net of cash and cash equivalents disposed	5	1	29	29	418	776	1,762
Payments on investments in companies, net of cash and cash equivalents acquired	(53)	(2)	(2)	(3)	(2)	(2)	(2)
Proceeds on financial investments not included under cash equivalents	83	480	597	1,004	305	965	1,462
Payments on financial investments not included under cash equivalents	(389)	(586)	(657)	(965)	(230)	(439)	(919)
(Payments)/proceeds on placements of cash surpluses not included under cash equivalents, net	(986)	(604)	(247)	(202)	(640)	(447)	(220)
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)	(3,819)
Dividends paid	(335)	(1,433)	(1,720)	(2,794)	(170)	(1,323)	(1,638)
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)	(509)
Operations with other equity holders (1)	170	68	(492)	(561)	241	24	443
Proceeds on issue of debentures and bonds, and other debts	2,612	2,672	4,268	4,289	3,098	3,687	4,187
Proceeds on loans, borrowings and promissory notes	1,675	2,284	3,197	3,973	573	1,202	1,561
Cancellation of debentures and bonds, and other debts	(2,410)	(3,760)	(3,833)	(4,654)	(212)	(962)	(1,868)
Repayments of loans, borrowings and promissory notes	(1,070)	(1,744)	(2,923)	(4,040)	(1,693)	(3,555)	(4,782)
Lease Principal Payments	n.a.	n.a.	n.a.	n.a.	(500)	(831)	(1,152)
Financed operating payments and investments in property, plant and equipment and intangible assets payments	(126)	(230)	(321)	(472)	(161)	(358)	(383)
Net cash used in financing activities	516	(2,143)	(1,445)	(3,880)	1,064	(2,428)	(4,141)
Effect of changes in exchange rates	(64)	(232)	(231)	(244)	93	27	5
Cash reclassified to assets held for sale	-	-	-	(111)	(13)	(13)	(9)
Effect of changes in consolidation methods and others	1	-	-	(3)	-	(3)	(3)
Net increase (decrease) in cash and cash equivalents during the year	(370)	(1,530)	946	500	2,664	1,896	3,086
Cash and cash equivalents at the beginning of the period	5,192	5,192	5,192	5,192	5,692	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	8,778

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	Jan - Sep
I	Cash flows from operations	3,340	7,480	11,049	15,961	3,656	7,794	11,783
II	Net interest payment (1)	(698)	(986)	(1,283)	(1,636)	(673)	(972)	(1,058)
III	Payment for income tax	(21)	(356)	(518)	(865)	676	471	328
A=I+II+III	Net cash provided by operating activities (2)	2,621	6,138	9,248	13,460	3,659	7,293	11,053
B	Net payment for investment in fixed and intangible assets (3)	(2,104)	(4,582)	(6,344)	(8,585)	(1,990)	(3,834)	(5,902)
	Spectrum (4)	(29)	(619)	(634)	(674)	(21)	(23)	(153)
C=A+B	Net free cash flow after CapEx	518	1,556	2,903	4,875	1,669	3,460	5,152
D	Net payment for financial investment	(353)	(107)	(33)	65	491	1,300	2,303
E	Net payment for operations with minority shareholders and treasury stock (5)	(166)	(1,365)	(1,833)	(2,976)	(41)	(1,610)	(1,704)
F=C+D+E	Free cash flow after dividends	(1)	83	1,037	1,964	2,119	3,150	5,750
G	Effects of exchange rate changes on net financial debt	58	(59)	(106)	(213)	303	105	120
H	Effects on net financial debt of changes in consolid. and others (6)	(524)	(509)	(501)	(51)	1,123	2,201	2,850
I	Net financial debt at beginning of period (7)	43,301	43,301	43,301	43,301	41,074	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	38,293
K	Lease Liabilities (8)	n.a.	n.a.	n.a.	n.a.	7,439	7,542	7,301
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	45,594

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: 129 in Mexico, 2 in Spain, 1 in UK, 3 in Colombia, 1 in Ecuador and 18 in El Salvador. In 2018 mainly: 591 in UK, 15 in Spain, 5 in Argentina, 3 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	Jan - Sep
OIBDA	3,864	8,102	12,035	15,571	4,264	8,702	11,450
- CapEx accrued during the period	(1,490)	(3,932)	(5,680)	(8,119)	(1,554)	(3,385)	(6,657)
- Payments related to cancellation of commitments	(201)	(398)	(581)	(775)	(239)	(419)	(595)
- Net interest payment	(698)	(986)	(1,283)	(1,636)	(673)	(972)	(1,058)
- Payment for tax	(21)	(356)	(518)	(865)	676	471	328
- Gain (loss) on sale of fixed assets and impairment of goodwill and other assets	2	112	91	323	(95)	(269)	(658)
- Investment in working capital and other deferred income and expenses and Others(1)(2)	(939)	(985)	(1,160)	376	(711)	(669)	2,342
Net Free Cash Flow after CapEx	518	1,556	2,903	4,875	1,669	3,460	5,152
+ Payments related to cancellation of commitments	201	398	581	775	239	419	595
- Dividends paid to minority shareholders	(168)	(406)	(527)	(746)	(0)	(292)	(445)
Free Cash Flow excluding Lease Principal Payments (3)	n.a	n.a.	n.a.	n.a.	1,908	3,587	5,302
- Lease Principal Payments (3)	n.a	n.a.	n.a.	n.a.	(500)	(831)	(1,152)
Free Cash Flow including Lease Principal Payments	550	1,548	2,957	4,904	1,408	2,756	4,150
Weighted average number of ordinary shares outstanding during the period (millions)	5,127	5,127	5,127	5,127	5,127	5,124	5,121
Free Cash Flow per share excluding Lease Principal Payments (3)	n.a	n.a.	n.a.	n.a.	0.37	0.70	1.04
Free Cash Flow per share (euros)	0.11	0.30	0.58	0.96	0.27	0.54	0.81

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 €1,860m in January-September 2019 related to commitments associated with long-term restructuring plans mainly in Spain and €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	Jan - Sep
USA (US Dollar)	1.229	1.210	1.194	1.180	1.136	1.130	1.124
United Kingdom (Sterling)	0.883	0.880	0.884	0.885	0.873	0.873	0.883
Argentina (Argentine Peso) (1)	24.165	25.794	47.369	43.303	48.697	48.265	62.786
Brazil (Brazilian Real)	3.988	4.135	4.276	4.292	4.282	4.343	4.364
Chile (Chilean Peso)	739.733	740.258	750.008	756.458	757.983	762.875	770.125
Colombia (Colombian Peso)	3,509.967	3,446.624	3,444.297	3,485.231	3,561.812	3,600.788	3,637.925
Costa Rica (Colon)	702.741	690.131	682.594	684.463	692.521	681.199	667.557
Guatemala (Quetzal)	9.049	8.958	8.895	8.873	8.767	8.692	8.641
Mexico (Mexican Peso)	23.013	23.065	22.712	22.688	21.819	21.644	21.628
Nicaragua (Cordoba)	38.057	37.708	37.435	37.238	36.943	36.964	36.993
Peru (Peruvian Nuevo Sol)	3.978	3.930	3.895	3.878	3.776	3.753	3.740
Uruguay (Uruguayan Peso)	35.025	35.409	35.886	36.200	37.268	38.188	38.713
Venezuela (2)	316,069.669	2,762,430.939	496.074	8,714.287	69,714.172	9,004.900	36,888.780

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-September 2019 period Telefónica uses a synthetic Exchange rate of 33,777.1 Bolívares Soberanos/USD. For the periods including January-June 2018, the synthetic Exchange rate used was based on Bolivar Fuerte, while for the periods onwards the synthetic exchange used was based on the Bolivar Soberano.

EXCHANGE RATES APPLIED TO CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Currency units per Euro	2018				2019		
	March	June	September	December	March	June	September
USA (US Dollar)	1.232	1.165	1.158	1.145	1.123	1.137	1.091
United Kingdom (Sterling)	0.875	0.886	0.888	0.895	0.858	0.896	0.886
Argentina (Argentine Peso)	24.815	33.632	47.369	43.303	48.697	48.265	62.786
Brazil (Brazilian Real)	4.095	4.493	4.638	4.438	4.377	4.357	4.543
Chile (Chilean Peso)	743.318	758.823	764.930	795.754	762.160	772.225	794.370
Colombia (Colombian Peso)	3,425.268	3,415.114	3,442.530	3,722.094	3,566.079	3,645.006	3,793.382
Costa Rica (Colon)	701.262	664.011	678.426	700.771	678.426	665.779	636.943
Guatemala (Quetzal)	9.115	8.731	8.921	8.861	8.628	8.765	8.438
Mexico (Mexican Peso)	22.508	22.945	21.686	22.507	21.766	21.841	21.527
Nicaragua (Cordoba)	38.385	36.753	36.979	37.030	36.745	37.652	36.578
Peru (Peruvian Nuevo Sol)	3.975	3.812	3.822	3.864	3.728	3.738	3.691
Uruguay (Uruguayan Peso)	34.972	36.666	38.470	37.116	37.611	40.004	40.295
Venezuela (2)	316,069.669	2,762,430.939	496.074	8,714.287	69,714.172	9,004.900	36,888.780

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 September 2019 Telefónica uses a synthetic Exchange rate of 33,777.1 Bolívares Soberanos/USD. For the closing of March and June 2018, the synthetic Exchange rate used was based on Bolivar Fuerte, while for the closing of September and December 2018 the synthetic exchange used was based on the Bolivar 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
Hybrid bond	24-Sep-19	500	EUR	Telefónica Europe B.V.	2.875 %	24-Sep-27	XS2056371334

	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
TELEFÓNICA	
REPORTED DATA	48,693
Changes in the consolidation perimeter	(370)
Hyperinflation in Argentina	313
TELEFÓNICA TOTAL REVENUES BASIS FOR GUIDANCE	48,636

	Base 2018
OIBDA	Jan - Dec
TELEFÓNICA	
REPORTED DATA	15,571
Restructuring charges	459
Changes in the consolidation perimeter	(146)
Capital gains/losses on sale of companies	(18)
Contingencies	215
Judicial decision PIS/COFINS	(789)
Impairments	350
Hyperinflation in Argentina	148
TELEFÓNICA TOTAL OIBDA BASIS FOR GUIDANCE	15,791

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.

	2018				2019			
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
Revenues	3,098	3,167	3,188	3,253	12,706	3,108	3,175	3,218
Mobile handset revenues	91	88	98	109	386	76	89	98
Revenues ex-mobile handset revenues	3,007	3,079	3,090	3,144	12,320	3,033	3,086	3,120
Consumer (1)	1,666	1,670	1,684	1,669	6,689	1,666	1,655	1,688
Convergent	1,171	1,200	1,207	1,217	4,795	1,222	1,234	1,272
Non convergent	495	470	477	452	1,894	444	420	416
Business	835	880	838	909	3,462	860	881	841
Communications	650	662	640	651	2,602	641	634	603
IT	185	218	198	258	860	219	247	238
Wholesale & others (2)	506	529	567	566	2,169	507	550	591
Internal expenditure capitalised in fixed assets	69	78	69	75	292	76	74	69
Operating expenses	(1,939)	(1,977)	(1,986)	(2,412)	(8,314)	(1,929)	(1,983)	(3,696)
Supplies	(852)	(886)	(905)	(1,020)	(3,663)	(913)	(978)	(1,005)
Personnel expenses	(503)	(491)	(479)	(775)	(2,248)	(488)	(483)	(2,217)
Other operating expenses	(584)	(600)	(602)	(616)	(2,403)	(527)	(522)	(474)
Other net income (expense)	(3)	2	4	18	21	88	5	7
Gain (loss) on sale of fixed assets	3	13	18	32	66	6	52	48
Impairment of goodwill and other assets	(5)	(0)	(2)	(0)	(7)	(0)	(0)	(0)
Operating income before D&A (OIBDA)	1,224	1,283	1,290	966	4,763	1,350	1,322	(353)
<i>OIBDA Margin</i>	39.5 %	40.5 %	40.5 %	29.7 %	37.5 %	43.4 %	41.6 %	<i>n.s.</i>
CapEx	346	432	379	562	1,719	377	435	382
Spectrum	-	-	7	115	122	-	-	-
OIBDA-CapEx	878	852	911	404	3,044	973	887	(735)

Notes:

- January-September 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.

TELEFÓNICA ESPAÑA

ACCESSES

Unaudited figures (Thousands)

	2018				2019		
	March	June	September	December	March	June	September
Final Clients Accesses	37,154.0	37,278.6	37,760.8	37,966.5	37,847.8	38,047.1	38,020.7
Fixed telephony accesses (1)	9,450.6	9,397.5	9,405.2	9,361.3	9,220.7	9,161.4	9,092.5
Internet and data accesses	6,032.8	6,050.1	6,129.4	6,129.6	6,083.7	6,087.8	6,091.2
Broadband	6,014.7	6,032.0	6,110.5	6,113.5	6,068.0	6,072.4	6,078.3
FTTH	3,550.5	3,667.5	3,822.2	3,940.6	4,025.5	4,150.8	4,246.9
Mobile accesses	17,743.3	17,896.1	18,189.8	18,384.4	18,448.6	18,691.9	18,748.5
Prepay	1,683.9	1,603.6	1,527.3	1,440.1	1,341.2	1,258.6	1,200.4
Contract	16,059.3	16,292.5	16,662.5	16,944.3	17,107.4	17,433.2	17,548.1
M2M	2,083.7	2,149.2	2,227.4	2,333.2	2,353.9	2,487.0	2,556.2
Pay TV	3,927.3	3,934.9	4,036.4	4,091.3	4,094.8	4,106.1	4,088.5
Wholesale Accesses	4,119.0	4,035.1	3,948.0	3,912.9	3,858.4	3,822.5	3,816.1
Fibre	995.8	1,158.9	1,309.8	1,522.2	1,719.2	1,863.4	2,014.3
Total Accesses	41,273.0	41,313.7	41,708.8	41,879.4	41,706.2	41,869.6	41,836.9

(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	September
Fixed telephony accesses	6,799.9	6,721.7	6,716.6	6,657.7	6,520.7	6,453.6	6,419.7
Internet and data accesses	5,187.7	5,198.6	5,274.0	5,272.9	5,224.9	5,225.3	5,271.8
Mobile accesses	12,141.4	12,236.6	12,450.2	12,530.5	12,540.7	12,650.3	12,692.6
Prepay	1,683.9	1,603.6	1,527.3	1,440.1	1,341.2	1,258.6	1,200.4
Contract	10,457.5	10,633.0	10,922.8	11,090.4	11,199.5	11,391.7	11,492.2
Pay TV	3,927.3	3,934.9	4,036.4	4,091.3	4,094.8	4,106.1	4,088.5
Total Consumer Accesses	28,056.3	28,091.8	28,477.1	28,552.4	28,381.0	28,435.2	28,472.7

TOTAL MOBILE ACCESSES

Unaudited figures (thousands)

	2018				2019		
	March	June	September	December	March	June	September
Contract percentage (%)	90.5 %	91.0 %	91.6 %	92.2 %	92.7 %	93.3 %	93.6 %
Smartphones ('000)	12,264.6	12,356.6	12,731.9	12,889.7	13,001.6	13,170.8	13,183.7
Smartphone penetration (%)	78.5 %	78.7 %	79.9 %	80.5 %	80.9 %	81.4 %	81.6 %
LTE ('000)	8,002.5	8,270.0	8,596.5	8,843.2	9,006.7	9,197.5	9,362.1
LTE penetration (%)	51.1 %	52.5 %	53.9 %	55.1 %	56.0 %	56.8 %	57.8 %

CONSUMER CONVERGENT

Unaudited figures (thousands)

	2018				2019		
	March	June	September	December	March	June	September
Convergent Customers	4,460.0	4,482.1	4,562.6	4,613.8	4,626.5	4,663.7	4,673.8
High speed Fibre	1,708.5	1,696.9	1,773.6	1,823.4	1,885.6	2,032.1	2,148.9
IPTV/ Satellite	3,470.6	3,508.6	3,625.6	3,711.0	3,755.5	3,795.8	3,799.0
Mobile add-ons	4,036.7	4,248.0	4,482.3	4,687.7	4,818.0	4,968.4	5,044.5
Convergent Accesses	20,887.3	21,203.0	21,795.7	22,240.0	22,453.1	22,755.2	22,892.7

CONSUMER CONVERGENT

Unaudited figures

	2018				2019		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Convergent ARPU (EUR)	87.8	89.5	89.2	88.2	88.2	88.5	90.6
Convergent churn	1.5 %	1.5 %	1.5 %	1.5 %	1.7 %	1.5 %	1.6 %
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dic	Jan - Mar	Jan - Jun	Jan - Sep
Convergent ARPU (EUR)	87.8	88.6	88.8	88.7	88.2	88.4	89.1
Convergent churn	1.5 %	1.5 %	1.5 %	1.5 %	1.7 %	1.6 %	1.6 %

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019		
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep
Total data traffic (TB)	2,113,454	4,296,235	6,598,644	9,176,392	2,733,020	5,584,845	8,543,548
Fixed data traffic (TB)	1,978,154	4,010,990	6,120,345	8,507,409	2,538,715	5,162,458	7,834,654
Mobile data traffic (TB)	135,300	285,245	478,299	668,984	194,305	422,388	708,894

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	Jul- Sep
Revenues	1,767	1,758	1,830	1,965	7,320	1,779	1,785	1,865
Mobile Business	1,566	1,560	1,638	1,775	6,539	1,596	1,600	1,679
Mobile service revenues	1,287	1,311	1,339	1,330	5,267	1,281	1,319	1,361
Data revenues	708	725	744	753	2,922	730	751	790
Handset revenues	280	249	299	445	1,272	315	281	318
Fixed Business	199	192	191	185	767	182	185	185
FBB and new services revenues (1)	153	147	145	143	589	144	146	147
Voice & access revenues	46	44	46	42	178	38	39	38
Internal expenditure capitalised in fixed assets	27	28	27	27	108	26	31	29
Operating expenses	(1,383)	(1,281)	(1,390)	(1,500)	(5,553)	(1,261)	(1,229)	(1,295)
Supplies	(587)	(538)	(622)	(712)	(2,459)	(568)	(527)	(584)
Personnel expenses	(152)	(151)	(148)	(159)	(610)	(150)	(153)	(145)
Other operating expenses	(644)	(591)	(620)	(629)	(2,484)	(543)	(550)	(566)
Other net income (expense)	(8)	(26)	3	(9)	(41)	(22)	(7)	(4)
Gain (loss) on sale of fixed assets	0	-	-	0	0	0	(2)	2
Impairment of goodwill and other assets	-	-	-	-	-	-	-	-
Operating income before D&A (OIBDA)	403	479	470	482	1,834	522	578	597
OIBDA Margin	22.8 %	27.2 %	25.7 %	24.5 %	25.1 %	29.4 %	32.4 %	32.0 %
CapEx	197	228	316	226	966	252	243	1,711
Spectrum	-	-	-	-	-	-	-	1,425
OIBDA-CapEx	207	251	154	256	868	270	335	(1,114)

Note:

- January-September 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	September
Final Clients Accesses	47,011.3	47,171.6	47,268.1	47,089.5	47,202.1	47,555.9	48,010.9
Fixed telephony accesses (1)	1,968.7	1,958.8	1,966.4	1,996.0	2,041.2	2,078.4	2,113.7
Internet and data accesses	2,265.6	2,251.1	2,252.8	2,274.7	2,247.7	2,259.9	2,289.9
Broadband	2,060.0	2,048.5	2,054.4	2,079.8	2,123.7	2,162.0	2,193.4
VDSL	1,243.4	1,329.7	1,388.9	1,441.3	1,506.6	1,565.7	1,619.1
Mobile accesses	42,777.0	42,961.6	43,048.9	42,818.8	42,913.2	43,217.6	43,607.3
Prepay	21,345.9	21,197.6	21,052.4	20,542.9	20,331.8	20,335.1	20,332.5
Contract (2)	21,431.1	21,764.0	21,996.5	22,275.9	22,581.4	22,882.5	23,274.9
M2M	1,067.2	1,103.4	1,134.9	1,187.9	1,210.0	1,153.9	1,179.0
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	48,010.9

(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	September
Contract percentage (%)	50.1 %	50.7 %	51.1 %	52.0 %	52.6 %	52.9 %	53.4 %
Smartphones ('000)	25,707.5	26,411.1	27,079.8	27,335.3	27,779.7	28,577.0	29,420.4
Smartphone penetration (%)	62.0 %	63.5 %	64.9 %	66.0 %	66.6 %	67.9 %	69.3 %
LTE ('000)	16,093.5	16,595.8	17,157.3	18,433.7	19,253.6	20,175.4	20,905.3
LTE penetration (%)	38.6 %	39.6 %	40.9 %	44.3 %	46.2 %	48.0 %	49.3 %
Mobile churn (quarterly)	2.2 %	1.8 %	2.0 %	2.3 %	1.9 %	1.8 %	1.9 %
Contract (1)	1.7 %	1.5 %	1.6 %	1.8 %	1.6 %	1.5 %	1.5 %
Mobile churn (cumulative YTD)	2.2 %	2.0 %	2.0 %	2.1 %	1.9 %	1.8 %	1.8 %
Contract (1)	1.7 %	1.6 %	1.6 %	1.6 %	1.6 %	1.5 %	1.5 %
Mobile ARPU (EUR) (cumulative YTD)	9.8	9.9	10.0	10.0	9.8	9.9	10.0
Prepay	5.6	5.7	5.8	5.8	5.7	5.8	6.0
Contract (1)	14.8	14.8	14.9	14.9	14.2	14.3	14.3
Fixed data traffic (TB) (cumulative YTD)	718,369	1,383,972	2,067,582	2,887,439	766,641	1,569,617	2,393,790
Mobile data traffic (TB) (cumulative YTD)	126,040	277,660	443,100	622,349	193,007	419,760	672,282

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	Jul - Sep
Revenues	1,586	1,638	1,721	1,846	6,790	1,691	1,720	1,773
Mobile service revenues	1,163	1,221	1,241	1,212	4,837	1,182	1,202	1,193
Data revenues	669	699	698	679	2,744	679	693	676
Handset revenues and other	423	417	480	634	1,953	508	518	580
Internal expenditure capitalised in fixed assets	29	33	29	35	127	37	38	34
Operating expenses	(1,181)	(1,221)	(1,286)	(1,342)	(5,029)	(1,201)	(1,193)	(1,251)
Supplies	(534)	(546)	(589)	(691)	(2,359)	(586)	(556)	(639)
Personnel expenses	(107)	(112)	(112)	(114)	(445)	(119)	(124)	(114)
Other operating expenses	(540)	(563)	(585)	(537)	(2,225)	(496)	(513)	(498)
Other net income (expense)	(4)	(1)	(1)	(18)	(23)	(23)	(26)	(12)
Gain (loss) on sale of fixed assets	-	(0)	-	-	-	-	9	(2)
Impairment of goodwill and other assets	-	-	-	-	-	-	-	-
Operating income before D&A (OIBDA)	430	450	464	522	1,865	504	548	543
<i>OIBDA Margin</i>	<i>27.1 %</i>	<i>27.5 %</i>	<i>26.9 %</i>	<i>28.3 %</i>	<i>27.5 %</i>	<i>29.8 %</i>	<i>31.9 %</i>	<i>30.6 %</i>
CapEx	183	804	215	263	1,464	185	224	242
Spectrum	-	588	-	-	588	-	-	-
OIBDA-CapEx	247	(354)	249	259	400	319	324	301

Notes:

- January-September 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	September
Fixed telephony accesses (1)	285.8	296.1	301.3	306.9	309.3	310.9	312.2
Internet and data accesses	25.7	26.6	27.7	28.1	28.4	28.5	28.7
Broadband	25.7	26.6	27.7	28.1	28.4	28.5	28.7
Mobile accesses	24,775.3	24,758.7	24,821.4	25,044.1	25,056.2	25,396.5	26,034.6
Prepay	8,959.1	8,858.3	8,804.0	8,742.6	8,534.6	8,482.6	8,625.1
Contract	15,816.2	15,900.3	16,017.4	16,301.4	16,521.6	16,913.9	17,409.4
M2M	3,370.1	3,411.7	3,408.3	3,578.0	3,785.2	4,149.1	4,601.3
Wholesale Accesses	7,247.1	7,340.0	7,457.2	7,599.2	7,690.1	7,865.3	8,053.2
Mobile wholesale accesses	7,247.1	7,340.0	7,457.2	7,599.2	7,690.1	7,865.3	8,053.2
Total accesses	32,334.0	32,421.4	32,607.6	32,978.3	33,084.0	33,601.3	34,428.7

(1) Includes fixed wireless and VoIP accesses.

MOBILE ACCESSES

Unaudited figures (Thousands)

	2018				2019		
	March	June	September	December	March	June	September
Retail mobile accesses	24,775.3	24,758.7	24,821.4	25,044.1	25,056.2	25,396.5	26,034.6
Wholesale mobile accesses	7,247.1	7,340.0	7,457.2	7,599.2	7,690.1	7,865.3	8,053.2
Total mobile accesses	32,022.4	32,098.6	32,278.6	32,643.2	32,746.3	33,261.8	34,087.7

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019		
	March	June	September	December	March	June	September
Contract percentage (%)	63.8 %	64.2 %	64.5 %	65.1 %	65.9 %	66.6 %	66.9 %
Smartphones ('000)	15,917.8	15,979.7	15,824.1	16,302.8	16,325.0	16,523.4	16,767.3
Smartphone penetration (%)	77.2 %	77.8 %	76.8 %	79.0 %	79.8 %	80.9 %	81.4 %
LTE ('000)	12,773.3	12,500.3	13,362.6	13,502.1	13,728.1	14,110.4	15,089.5
LTE penetration (%)	59.7 %	58.6 %	62.4 %	62.9 %	64.5 %	66.4 %	70.4 %
Mobile churn (quarterly)	1.9 %	1.9 %	2.1 %	1.9 %	1.9 %	1.7 %	1.7 %
Contract (1)	1.0 %	1.0 %	1.0 %	1.0 %	0.9 %	0.9 %	1.0 %
Mobile churn (cumulative YTD)	1.9 %	1.9 %	2.0 %	1.9 %	1.9 %	1.8 %	1.8 %
Contract (1)	1.0 %	1.0 %	1.0 %	1.0 %	0.9 %	0.9 %	0.9 %
Mobile ARPU (EUR) (cumulative YTD)	14.7	15.0	15.1	15.1	14.6	14.7	14.5
Prepay	6.8	6.9	7.1	7.1	7.2	7.4	7.4
Contract (1)	24.2	24.7	24.8	24.6	23.7	23.8	23.6
Mobile data traffic (TB) (cumulative YTD)	126,797	274,846	442,731	613,219	177,868	381,754	601,112

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.

	2018				2019			
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
Revenues	2,705	2,522	2,345	2,553	10,126	2,563	2,467	2,507
Mobile Business	1,696	1,589	1,463	1,624	6,371	1,654	1,582	1,625
Mobile service revenues	1,599	1,476	1,355	1,493	5,924	1,514	1,439	1,479
Data revenues	1,239	1,157	1,076	1,187	4,659	1,248	1,179	1,182
Handset revenues	97	112	108	131	448	140	143	146
Fixed Business	1,009	934	882	930	3,754	909	885	882
FBB and new services revenues (1)	458	440	434	473	1,804	470	467	490
Pay TV revenues	118	111	107	114	450	110	106	102
Voice & access revenues	432	384	341	343	1,501	330	312	290
Internal exp. capitalised in fixed assets	30	31	27	30	117	33	40	42
Operating expenses	(1,740)	(1,233)	(1,312)	(1,636)	(5,921)	(1,551)	(1,500)	(1,528)
Supplies	(504)	(530)	(465)	(541)	(2,039)	(440)	(405)	(415)
Personnel expenses	(279)	(295)	(234)	(272)	(1,080)	(249)	(250)	(258)
Other operating expenses	(957)	(408)	(613)	(824)	(2,801)	(862)	(845)	(855)
Other net income (expense)	(15)	(43)	5	13	(41)	(4)	(7)	10
Gain (loss) on sale of fixed assets	(0)	(1)	9	6	13	10	2	42
Impairment of goodwill and other assets	2	(1)	1	14	17	(0)	(0)	(2)
Operating income before D&A (OIBDA)	982	1,275	1,075	979	4,311	1,050	1,001	1,071
<i>OIBDA Margin</i>	<i>36.3 %</i>	<i>50.5 %</i>	<i>45.9 %</i>	<i>38.4 %</i>	<i>42.6 %</i>	<i>40.9 %</i>	<i>40.6 %</i>	<i>42.7 %</i>
CapEx	388	504	530	488	1,910	396	538	553
Spectrum	-	-	-	2	2	-	-	-
OIBDA-CapEx	594	771	545	491	2,401	654	463	518

Notes:

- January-September 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	September
Final Clients Accesses	97,905.1	97,897.8	96,817.2	95,287.2	95,091.7	94,458.3	93,815.0
Fixed telephony accesses (1)	13,679.5	13,459.7	13,209.6	13,004.6	12,557.9	11,891.0	11,384.9
Internet and data accesses	7,544.9	7,569.9	7,583.4	7,564.7	7,493.2	7,371.7	7,222.9
Broadband	7,476.6	7,489.9	7,502.6	7,485.2	7,414.4	7,297.1	7,150.8
FTTx/cable	4,643.2	4,791.7	4,917.3	4,991.1	5,031.5	5,041.1	5,055.4
Mobile accesses	75,089.3	75,253.9	74,423.6	73,151.3	73,519.1	73,735.3	73,824.4
Prepay	37,599.0	36,827.1	35,017.0	32,754.4	32,506.2	32,030.2	31,533.9
Contract	37,490.3	38,426.8	39,406.7	40,396.9	41,012.8	41,705.1	42,290.5
M2M	6,664.9	7,105.5	7,628.7	8,203.3	8,674.5	9,115.8	9,469.8
Pay TV	1,591.5	1,614.3	1,600.5	1,566.6	1,521.5	1,460.2	1,382.7
Total Accesses	97,919.1	97,912.7	96,832.0	95,302.0	95,106.4	94,472.8	93,828.7

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019		
	March	June	September	December	March	June	September
Contract percentage (%)	49.9 %	51.1 %	52.9 %	55.2 %	55.8 %	56.6 %	57.3 %
Smartphones ('000)	56,291.8	57,636.1	58,725.5	57,834.5	56,282.3	55,157.2	59,048.1
Smartphone penetration (%)	83.8 %	86.0 %	89.3 %	90.4 %	88.1 %	86.5 %	93.0 %
LTE ('000)	37,566.4	39,404.1	40,325.9	41,103.8	42,956.1	45,192.4	46,830.4
LTE penetration (%)	54.9 %	57.8 %	60.4 %	63.3 %	66.2 %	69.9 %	72.8 %
Mobile churn (quarterly)	3.1 %	3.0 %	3.7 %	4.1 %	3.2 %	3.4 %	3.4 %
Contract (1)	1.6 %	1.8 %	1.9 %	1.7 %	1.7 %	1.8 %	1.8 %
Mobile churn (cumulative YTD)	3.1 %	3.0 %	3.3 %	3.5 %	3.2 %	3.3 %	3.3 %
Contract (1)	1.6 %	1.7 %	1.8 %	1.7 %	1.7 %	1.8 %	1.8 %
Mobile ARPU (EUR) (cumulative YTD)	7.0	6.6	6.4	6.4	6.7	6.5	6.5
Prepay	3.2	3.0	2.8	2.8	2.8	2.8	2.8
Contract (1)	13.0	12.4	11.9	11.9	12.2	11.8	11.7
Mobile data traffic (TB) (cumulative YTD)	228,836	477,228	777,616	1,110,125	381,864	781,043	1,230,922
Fixed telephony ARPU (EUR) (cumulative YTD)	10.3	9.8	9.3	9.1	8.4	8.4	8.3
Pay TV ARPU (EUR) (cumulative YTD)	24.7	23.9	23.3	23.5	23.8	23.7	23.8
Broadband ARPU (EUR) (cumulative YTD)	13.2	12.7	12.6	13.0	14.0	14.0	14.1
Fixed data traffic (TB) (cumulative YTD)	4,838,067	10,190,227	15,949,403	21,954,704	6,201,789	12,436,560	18,907,997

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	Jul - Sep
Revenues	1,833	1,798	1,315	1,988	6,677	1,612	1,743	1,430
Mobile Business	1,120	1,089	761	1,166	3,964	945	1,003	803
Mobile service revenues	898	863	584	916	3,115	732	779	593
Data revenues	535	538	334	515	1,800	486	502	346
Handset revenues	222	227	177	250	849	213	224	211
Fixed Business	713	709	556	822	2,712	666	738	626
FBB and new services revenues (1)	380	375	275	419	1,382	368	401	326
Pay TV revenues	133	136	133	130	531	133	138	135
Voice & access revenues	200	198	148	273	799	165	200	165
Internal exp. capitalised in fixed assets	18	19	16	20	71	17	16	14
Operating expenses	(1,342)	(1,331)	(1,026)	(1,552)	(5,089)	(1,201)	(1,298)	(1,162)
Supplies	(513)	(531)	(431)	(611)	(2,051)	(452)	(462)	(426)
Personnel expenses	(271)	(245)	(174)	(307)	(943)	(235)	(248)	(265)
Other operating expenses	(558)	(554)	(421)	(634)	(2,095)	(514)	(588)	(472)
Other net income (expense)	8	18	6	20	51	13	8	4
Gain (loss) on sale of fixed assets	(0)	3	0	7	10	1	26	45
Impairment of goodwill and other assets	-	-	-	-	-	-	-	-
Operating income before D&A (OIBDA)	517	507	311	483	1,719	441	495	331
OIBDA Margin	28.2 %	28.2 %	23.7 %	24.3 %	25.7 %	27.4 %	28.4 %	23.1 %
CapEx	251	302	178	431	1,116	243	250	185
Spectrum	7	-	11	4	21	-	3	(0)
OIBDA-CapEx	266	205	133	51	603	199	244	145

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)

	2018					2019		
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Dec	Jan - Mar	Apr - Jun	Jul - Sep
Revenues	1,833	1,798	1,315	1,988	6,677	1,612	1,743	1,430
Telefónica Argentina	755	703	232	884	2,315	543	671	362
Telefónica Chile	526	525	505	524	2,080	498	487	470
Telefónica Perú	501	518	527	528	2,075	518	535	547
Telefónica Uruguay	56	56	53	56	221	56	54	54
Other and eliminations	(4)	(3)	(2)	(5)	(13)	(4)	(4)	(3)
Service Revenues	1,611	1,572	1,140	1,738	5,827	1,399	1,519	1,219
Telefónica Argentina	682	633	209	798	2,088	495	602	312
Telefónica Chile	447	451	432	439	1,769	420	420	396
Telefónica Perú	436	442	451	456	1,785	437	453	465
Telefónica Uruguay	50	49	48	51	198	51	48	48
Other and eliminations	(4)	(3)	(1)	(5)	(13)	(4)	(4)	(3)
OIBDA	517	507	311	483	1,719	441	495	331
Telefónica Argentina	245	218	54	252	669	145	181	94
Telefónica Chile	153	158	156	150	617	169	170	183
Telefónica Perú	98	111	80	60	350	107	125	33
Telefónica Uruguay	21	20	20	22	82	21	20	20
Other and eliminations	-	-	2	(1)	1	-	(0)	1
CapEx	251	302	178	431	1,116	243	250	185
Telefónica Argentina	124	130	38	153	399	89	86	37
Telefónica Chile	76	91	63	110	341	88	94	72
Telefónica Perú	48	74	71	150	342	61	65	70
Telefónica Uruguay	4	6	7	18	34	5	6	6
Other and eliminations	-	-	-	-	-	-	0	(0)
Spectrum	7	-	11	4	21	-	3	(0)
Telefónica Argentina	7	-	11	4	21	-	3	(0)
Telefónica Chile	-	-	-	-	-	-	-	-
Telefónica Perú	-	-	-	-	-	-	-	-
Telefónica Uruguay	-	-	-	-	-	-	-	-
Other and eliminations	-	-	-	-	-	-	-	-
OIBDA-CapEx	266	205	133	51	603	199	244	145
Telefónica Argentina	121	88	16	99	269	56	95	57
Telefónica Chile	77	67	93	39	276	80	76	111
Telefónica Perú	51	37	10	(90)	8	46	60	(37)
Telefónica Uruguay	17	14	13	4	48	16	14	14
Other and eliminations	-	-	2	(1)	1	-	(0)	1

- January-September 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 OIBDA-CapEx for the Jan-Mar 2018 period and -€256m in Revenues, -€86m in OIBDA, -€46m in CapEx and -€41m in OIBDA-CapEx for the Apr-Jun 2018 period.

TELEFÓNICA HISPAM SUR

ACCESSES

Unaudited figures (thousands)

	2018				2019		
	March	June	September	December	March	June	September
Final Clients Accesses	57,783.3	57,531.8	56,723.6	56,889.9	55,788.5	54,997.2	52,726.4
Fixed telephony accesses (1)	7,811.1	7,684.6	7,549.9	7,435.2	7,301.3	7,097.8	6,832.0
Internet and data accesses	4,611.4	4,648.1	4,675.4	4,669.7	4,677.4	4,655.5	4,591.3
Broadband	4,492.4	4,528.3	4,554.9	4,549.5	4,553.7	4,531.8	4,467.2
FTTx/cable	1,829.2	2,089.2	2,285.8	2,490.8	2,669.8	2,828.4	2,924.1
Mobile accesses	43,276.3	43,042.8	42,324.7	42,575.1	41,564.8	40,976.4	39,054.1
Prepay	26,973.7	26,386.8	25,504.3	25,571.6	24,788.4	24,104.3	21,958.5
Contract (2)	16,302.6	16,655.9	16,820.4	17,003.5	16,776.4	16,872.1	17,095.6
M2M	1,240.2	1,339.4	1,396.2	1,457.7	1,504.1	1,567.3	1,658.6
Pay TV	2,084.6	2,156.4	2,173.5	2,209.9	2,244.9	2,267.5	2,249.0
Total Accesses	57,808.9	57,556.0	56,747.9	56,913.1	55,810.5	55,019.6	52,747.6

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	September
Contract percentage (%)	37.7 %	38.7 %	39.7 %	39.9 %	40.4 %	41.2 %	43.8 %
Smartphones ('000)	21,331.4	21,507.3	21,056.7	21,370.3	21,208.8	21,033.6	20,994.7
Smartphone penetration (%)	51.4 %	52.2 %	52.1 %	52.6 %	53.6 %	54.0 %	56.8 %
LTE ('000)	13,713.1	13,777.7	14,694.1	15,980.2	16,175.7	16,317.8	16,545.1
LTE penetration (%)	32.6 %	33.0 %	36.0 %	38.9 %	40.4 %	41.4 %	44.2 %

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	Jul - Sep
Revenues	755	703	232	884	2,315	543	671	362
Mobile Business	500	465	151	552	1,497	340	418	230
Mobile service revenues	427	395	128	466	1,270	292	349	181
Data revenues	266	263	66	261	732	233	247	87
Handset revenues	73	70	23	86	227	48	69	49
Fixed Business	255	238	82	332	818	202	251	131
FBB and new services revenues (1)	153	140	32	154	410	123	139	50
Pay TV revenues	-	-	-	-	-	2	3	3
Voice & access revenues	102	98	50	178	407	77	109	78
OIBDA	245	218	54	252	669	145	181	94
OIBDA margin	32.4 %	31.0 %	23.2 %	28.5 %	28.9 %	26.6 %	26.9 %	26.0 %
CapEx	124	130	38	153	399	89	86	37
Spectrum	7	-	11	4	21	-	3	(0)
OIBDA-CapEx	121	88	16	99	269	56	95	57

Note:

- January-September 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 OIBDA-CapEx for the Jan-Mar 2018 period and -€257m in Revenues, -€87m in OIBDA, -46€m in CapEx and -€41m in OIBDA-CapEx 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	September
Final Clients Accesses	24,507.7	24,208.3	23,798.2	23,910.6	23,477.2	23,315.9	21,855.2
Fixed telephony accesses (1)	4,023.4	3,908.5	3,770.6	3,667.3	3,530.3	3,400.7	3,267.9
Fixed wireless	192.9	184.5	170.4	173.2	161.0	156.9	151.4
Internet and data accesses	1,648.5	1,613.3	1,579.9	1,546.1	1,497.8	1,453.5	1,417.9
Broadband	1,613.5	1,578.6	1,545.5	1,512.1	1,463.8	1,419.8	1,384.5
FTTx	294.7	353.2	416.9	468.6	495.1	531.9	566.2
Mobile accesses	18,835.8	18,686.5	18,446.3	18,666.8	18,389.8	18,370.1	17,039.1
Prepay	11,259.6	11,011.4	10,726.8	10,907.0	10,702.3	10,616.1	9,283.3
Contract	7,576.2	7,675.1	7,719.5	7,759.7	7,687.5	7,754.0	7,755.8
M2M	614.3	629.4	658.0	698.0	717.0	758.7	810.6
Pay TV	-	-	1.4	30.4	59.2	91.6	130.3
Total Accesses	24,528.1	24,227.4	23,817.1	23,928.3	23,493.5	23,332.2	21,870.2

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019		
	March	June	September	December	March	June	September
Contract percentage (%)	40.2 %	41.1 %	41.8 %	41.6 %	41.8 %	42.2 %	45.5 %
Smartphones ('000)	8,879.0	8,988.5	8,949.3	9,074.2	8,967.5	9,254.1	9,316.6
Smartphone penetration (%)	49.0 %	50.1 %	50.6 %	50.8 %	51.0 %	52.8 %	57.7 %
LTE ('000)	6,673.1	6,714.7	6,751.7	7,647.0	7,759.0	7,807.6	7,929.3
LTE penetration (%)	36.6 %	37.2 %	38.0 %	42.6 %	43.9 %	44.3 %	48.9 %
Mobile churn (quarterly)	3.2 %	2.9 %	2.6 %	1.7 %	2.7 %	2.7 %	5.4 %
Contract (1)	1.1 %	1.1 %	1.3 %	1.5 %	2.1 %	2.2 %	2.5 %
Mobile churn (cumulative YTD)	3.2 %	2.9 %	2.8 %	2.5 %	2.7 %	2.7 %	3.6 %
Contract (1)	1.1 %	1.1 %	1.2 %	1.3 %	2.1 %	2.1 %	2.2 %
Mobile ARPU (EUR) (cumulative YTD)	7.8	7.5	4.2	4.8	5.2	5.5	4.5
Prepay	2.4	2.4	1.3	1.5	1.5	1.5	1.3
Contract (1)	16.7	15.9	8.9	10.0	11.0	11.7	9.3
Mobile data traffic (TB) (cumulative YTD)	71,626	147,967	230,363	318,130	87,371	182,579	287,520
Fixed telephony ARPU (EUR) (cumulative YTD)	8.5	8.4	4.8	5.6	6.7	7.4	6.1
Pay TV ARPU (EUR) (cumulative YTD)	-	-	-	-	10.9	12.8	10.6
Broadband ARPU (EUR) (cumulative YTD)	18.1	17.1	9.4	11.1	13.5	14.6	11.7
Fixed data traffic (TB) (cumulative YTD) (2)	425,127	893,893	1,466,706	2,027,293	555,796	1,086,029	1,602,988

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	Jul - Sep
Revenues	526	525	505	524	2,080	498	487	470
Mobile Business	308	305	296	306	1,215	290	273	269
Mobile service revenues	230	231	223	221	905	212	206	195
Data revenues	119	119	118	115	471	116	111	108
Handset revenues	79	74	73	85	311	79	67	74
Fixed Business	217	220	209	218	864	208	214	201
FBB and new services revenues (1)	110	112	111	119	451	113	120	116
Pay TV revenues	58	59	54	53	225	52	53	48
Voice & access revenues	50	49	44	46	188	43	41	38
OIBDA	153	158	156	150	617	169	170	183
OIBDA margin	29.2 %	30.1 %	30.9 %	28.5 %	29.7 %	33.8 %	34.8 %	39.0 %
CapEx	76	91	63	110	341	88	94	72
Spectrum	-	-	-	-	-	-	-	-
OIBDA-CapEx	77	67	93	39	276	80	76	111

Notes:

- January-September 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	September
Final Clients Accesses	12,061.9	11,887.5	11,836.3	11,591.5	11,133.4	10,847.1	10,627.1
Fixed telephony accesses (1)	1,289.1	1,273.5	1,251.9	1,222.4	1,176.4	1,143.9	1,112.4
Internet and data accesses	1,141.9	1,151.0	1,156.1	1,150.2	1,133.8	1,117.4	1,099.4
Broadband	1,089.2	1,097.8	1,102.0	1,095.8	1,078.9	1,062.0	1,043.3
FTTx	379.0	421.5	475.1	522.9	556.0	587.1	608.0
Mobile accesses	8,957.4	8,783.8	8,758.8	8,567.5	8,201.1	7,991.7	7,855.8
Prepay	5,658.8	5,391.6	5,245.6	4,957.7	4,545.1	4,318.5	4,137.8
Contract	3,298.5	3,392.2	3,513.2	3,609.8	3,656.0	3,673.3	3,718.0
M2M	422.1	426.8	440.8	441.0	463.7	487.2	498.3
Pay TV	673.6	679.2	669.5	651.3	622.0	594.1	559.5
Total Accesses	12,067.0	11,892.6	11,841.7	11,597.0	11,139.0	10,853.3	10,633.3

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019		
	March	June	September	December	March	June	September
Contract percentage (%)	36.8 %	38.6 %	40.1 %	42.1 %	44.6 %	46.0 %	47.3 %
Smartphones ('000)	3,344.5	3,411.8	3,437.9	3,531.6	3,490.5	3,438.6	3,413.6
Smartphone penetration (%)	40.5 %	42.2 %	42.7 %	44.9 %	46.6 %	47.3 %	47.9 %
LTE ('000)	2,700.0	2,823.9	3,035.2	3,207.0	3,237.8	3,213.4	3,144.9
LTE penetration (%)	31.6 %	33.8 %	36.5 %	39.5 %	41.8 %	42.8 %	42.7 %
Mobile churn (quarterly)	3.4 %	3.5 %	2.9 %	3.9 %	4.2 %	3.8 %	3.4 %
Contract (1)	2.2 %	2.3 %	2.3 %	2.8 %	2.8 %	3.1 %	2.9 %
Mobile churn (cumulative YTD)	3.4 %	3.5 %	3.3 %	3.4 %	4.2 %	4.0 %	3.8 %
Contract (1)	2.2 %	2.3 %	2.3 %	2.5 %	2.8 %	2.9 %	2.9 %
Mobile ARPU (EUR) (cumulative YTD)	8.5	7.9	7.9	7.9	7.8	7.7	7.6
Prepay	2.3	2.2	2.2	2.1	1.8	1.6	1.5
Contract (1)	22.1	20.0	19.6	19.3	17.7	17.4	17.1
Mobile data traffic (TB) (cumulative YTD)	74,641	162,246	260,842	365,241	107,858	210,900	336,391
Fixed telephony ARPU (EUR) (cumulative YTD)	11.8	11.7	11.4	11.4	10.9	10.9	10.6
Pay TV ARPU (EUR) (cumulative YTD)	22.8	23.1	22.5	22.2	22.2	23.0	23.1
Broadband ARPU (EUR) (cumulative YTD)	17.1	17.1	16.7	16.5	16.6	16.8	17.0
Fixed data traffic (TB) (cumulative YTD) (2)	524,361	1,133,870	1,794,715	2,480,494	752,143	1,532,548	2,315,175

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	Jul - Sep
Revenues	501	518	527	528	2,075	518	535	547
Mobile Business	257	265	264	252	1,038	260	260	252
Mobile service revenues	192	189	187	180	748	179	178	171
Data revenues	122	130	125	113	490	110	118	125
Handset revenues	65	76	76	73	290	81	82	81
Fixed Business	244	253	264	276	1,037	258	274	295
FBB and new services revenues (1)	120	125	132	149	526	134	143	161
Pay TV revenues	74	76	78	77	306	79	81	84
Voice & access revenues	49	52	54	50	205	46	50	49
OIBDA	98	111	80	60	350	107	125	33
OIBDA margin	19.6 %	21.5 %	15.2 %	11.3 %	16.9 %	20.7 %	23.4 %	6.0 %
CapEx	48	74	71	150	342	61	65	70
Spectrum	-	-	-	-	-	-	-	-
OIBDA-CapEx	51	37	10	(90)	8	46	60	(37)

Note:

- January-September 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	September
Fixed telephony accesses (1)	2,498.6	2,502.6	2,527.5	2,545.4	2,594.6	2,553.2	2,451.7
Fixed wireless	84.6	84.7	85.2	85.4	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	2,074.0
Broadband	1,789.7	1,852.0	1,907.4	1,941.5	2,010.9	2,049.9	2,039.4
FTTx/cable	1,155.5	1,314.6	1,393.8	1,499.2	1,618.7	1,709.4	1,749.9
Mobile accesses	13,816.4	13,915.5	13,474.9	13,664.8	13,308.9	12,966.2	12,514.1
Prepay	9,093.0	9,038.0	8,597.2	8,744.0	8,594.4	8,241.7	7,615.1
Contract (2)	4,723.5	4,877.5	4,877.7	4,920.8	4,714.5	4,724.6	4,899.0
M2M	112.4	187.1	199.5	217.7	217.3	211.2	236.8
Pay TV	1,411.0	1,477.1	1,502.6	1,528.1	1,563.7	1,581.8	1,559.2
Total Accesses	19,547.1	19,779.1	19,444.4	19,711.7	19,513.0	19,185.8	18,599.0

(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	September
Contract percentage (%)	34.2 %	35.1 %	36.2 %	36.0 %	35.4 %	36.4 %	39.1 %
Smartphones ('000)	8,230.3	8,231.3	7,803.0	7,873.5	7,858.5	7,456.2	7,363.9
Smartphone penetration (%)	60.4 %	60.3 %	59.1 %	58.9 %	60.4 %	58.8 %	60.3 %
LTE ('000)	3,725.1	3,586.3	4,217.9	4,391.3	4,437.6	4,556.7	4,682.1
LTE penetration (%)	27.2 %	26.1 %	31.9 %	32.7 %	33.9 %	35.7 %	38.1 %
Mobile churn (quarterly)	5.8 %	6.2 %	7.1 %	6.8 %	6.8 %	7.6 %	7.0 %
Contract (1)(2)	3.0 %	3.2 %	3.5 %	3.3 %	3.0 %	3.2 %	3.1 %
Mobile churn (cumulative YTD)	5.8 %	6.2 %	6.5 %	6.6 %	6.8 %	7.2 %	7.2 %
Contract (1)(2)	3.0 %	3.2 %	3.3 %	3.3 %	3.0 %	3.1 %	3.2 %
Mobile ARPU (EUR) (cumulative YTD)	5.2	4.4	4.4	4.4	4.2	4.3	4.3
Prepay	1.8	1.7	1.7	1.8	1.7	1.6	1.7
Contract (1)(2)	12.0	9.6	9.5	9.5	9.1	9.3	9.2
Mobile data traffic (TB) (cumulative YTD)	62,196	133,741	224,923	326,110	114,944	238,332	385,070
Fixed telephony ARPU (EUR) (cumulative YTD)	5.8	5.8	5.8	5.8	5.0	5.0	4.8
Pay TV ARPU (EUR) (cumulative YTD)	17.5	17.6	17.5	17.4	16.9	17.1	17.3
Broadband ARPU (EUR) (cumulative YTD)	12.6	12.7	12.7	12.7	12.5	13.0	13.4
Fixed data traffic (TB) (cumulative YTD) (3)	752,346	1,559,607	2,463,278	3,499,664	1,263,115	2,696,039	4,351,311

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	Jul - Sep
Revenues	971	1,027	1,041	1,037	4,075	971	1,014	895
Mobile Business	799	843	848	854	3,343	790	828	727
Mobile service revenues	673	691	709	672	2,744	645	673	591
Data revenues	399	376	393	396	1,564	390	407	380
Handset revenues	126	152	139	182	599	145	154	136
Fixed Business	172	184	193	182	732	180	185	167
FBB and new services revenues (1)	92	98	109	109	408	106	113	99
Pay TV revenues	22	23	23	16	83	21	20	20
Voice & access revenues	59	63	61	58	240	53	53	48
Internal exp. capitalised in fixed assets	12	12	12	12	48	11	11	11
Operating expenses	(739)	(793)	(773)	(835)	(3,141)	(737)	(800)	(701)
Supplies	(307)	(342)	(333)	(367)	(1,349)	(308)	(318)	(296)
Personnel expenses	(88)	(88)	(86)	(89)	(352)	(84)	(90)	(73)
Other operating expenses	(344)	(363)	(354)	(379)	(1,440)	(344)	(391)	(332)
Other net income (expense)	6	12	6	7	30	7	14	29
Gain (loss) on sale of fixed assets	9	26	29	67	131	12	34	41
Impairment of goodwill and other assets (2)	-	(108)	-	(242)	(350)	-	(12)	-
Operating income before D&A (OIBDA)	258	176	314	45	793	263	261	274
OIBDA Margin	26.6 %	17.1 %	30.2 %	4.4 %	19.5 %	27.1 %	25.8 %	30.7 %
CapEx	53	111	133	371	668	78	106	143
Spectrum	-	-	-	135	135	18	1	18
OIBDA-CapEx	205	64	181	(326)	125	185	155	131

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	Jul - Sep
Revenues	971	1,027	1,041	1,037	4,075	971	1,014	895
Telefónica Colombia	351	370	383	363	1,468	359	352	350
Telefónica Mexico	277	297	293	308	1,175	296	316	300
Telefónica Centroamérica	209	217	220	228	874	189	159	135
Telefónica Ecuador	126	138	142	135	542	126	126	115
Telefónica Venezuela	8	5	3	2	18	2	62	(5)
Other and eliminations	(0)	(0)	(0)	(0)	(2)	(0)	(1)	(0)
Service Revenues	845	875	902	854	3,476	826	859	759
Telefónica Colombia	319	334	353	328	1,334	324	315	313
Telefónica Mexico	221	228	231	209	889	222	234	228
Telefónica Centroamérica	191	197	201	204	794	172	143	121
Telefónica Ecuador	106	111	115	112	444	106	107	103
Telefónica Venezuela	8	4	3	2	18	2	61	(5)
Other and eliminations	(0)	(0)	(0)	(0)	(2)	(0)	(1)	(0)
OIBDA	258	176	314	45	793	263	261	274
Telefónica Colombia	124	128	157	148	556	131	131	137
Telefónica Mexico	41	55	40	13	150	22	24	53
Telefónica Centroamérica	57	64	69	94	283	72	59	45
Telefónica Ecuador	36	36	41	30	143	38	37	41
Telefónica Venezuela	1	(0)	0	2	3	1	10	(2)
Other and eliminations (2)	-	(108)	7	(242)	(343)	(1)	(1)	0
CapEx	53	111	133	371	668	78	106	143
Telefónica Colombia	23	44	52	74	192	37	43	71
Telefónica Mexico	13	33	43	208	296	12	35	42
Telefónica Centroamérica	11	20	23	57	112	24	10	13
Telefónica Ecuador	6	14	14	32	67	6	12	12
Telefónica Venezuela	1	1	0	1	2	-	5	5
Other and eliminations	-	-	0	-	-	-	(0)	0
Spectrum	-	-	0	135	135	18	1	18
Telefónica Colombia	-	-	-	-	-	-	-	-
Telefónica Mexico	-	-	-	135	135	-	-	18
Telefónica Centroamérica	-	-	0	-	-	18	0	0
Telefónica Ecuador	-	-	-	-	-	-	1	0
Telefónica Venezuela	-	-	-	-	-	-	-	-
Other and eliminations	-	-	-	-	-	-	0	(0)
OIBDA-CapEx	205	64	181	(326)	125	185	155	131
Telefónica Colombia	101	84	105	74	364	95	88	66
Telefónica Mexico	29	23	(3)	(195)	(146)	11	(11)	11
Telefónica Centroamérica	45	44	45	37	172	49	49	32
Telefónica Ecuador	30	22	27	(2)	77	32	25	28
Telefónica Venezuela	0	(1)	0	2	1	-	5	(6)
Other and eliminations (2)	-	(108)	7	(242)	(343)	(1)	(1)	0

Notes:

- T. Hispam Norte consolidated results deconsolidate T. Panamá since 1 September 2019, T. Nicaragua since 1 May 2019, T. Guatemala since 1 January 2019.

- January-September 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 Bolivar Soberano/Euro. As of the closing of September 2019 Telefónica uses a synthetic exchange rate of 33,777.1 Venezuelan bolivars soberanos per dollar. For the January-June 2018 period the synthetic exchange used is based on the Bolivar Fuerte, while for the periods onwards the synthetic exchange used was based on the Bolivar Soberano.

(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	September
Final Clients Accesses	72,590.0	73,145.9	72,902.0	73,555.6	69,657.0	64,377.9	64,923.0
Fixed telephony accesses (1)	3,478.3	3,484.8	3,301.0	3,169.8	2,832.4	2,663.0	2,602.8
Internet and data accesses	1,253.1	1,274.7	1,332.3	1,337.1	1,344.6	1,306.8	1,297.5
Broadband	1,223.2	1,244.0	1,301.4	1,305.6	1,317.1	1,279.2	1,269.9
FTTx	167.7	284.4	302.7	303.7	305.5	308.0	311.7
Mobile accesses	66,857.0	67,355.8	67,233.7	68,041.1	64,513.3	59,473.4	60,141.1
Prepay	57,061.5	57,360.4	57,226.8	58,010.4	54,623.4	49,787.1	50,578.5
Contract	9,795.4	9,995.4	10,006.9	10,030.7	9,889.9	9,686.3	9,562.7
M2M	1,785.1	1,882.0	1,914.3	1,922.8	1,927.5	1,903.6	1,896.2
Pay TV	1,001.6	1,030.6	1,034.9	1,007.6	966.8	934.8	881.6
Total Accesses	72,590.5	73,146.4	72,902.5	73,556.1	69,657.0	64,378.4	64,923.0

Notes:

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

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019		
	March	June	September	December	March	June	September
Contract percentage (%)	14.7 %	14.8 %	14.9 %	14.7 %	15.3 %	16.3 %	15.9 %
Smartphones ('000)	30,059.4	29,995.2	31,376.2	31,960.9	31,644.3	30,608.0	28,870.2
Smartphone penetration (%)	46.6 %	46.2 %	48.4 %	48.6 %	50.9 %	53.4 %	49.8 %
LTE ('000)	14,761.5	16,069.9	17,392.6	19,506.4	20,373.8	21,235.5	21,058.0
LTE penetration (%)	22.7 %	24.6 %	26.6 %	29.5 %	32.6 %	36.9 %	36.2 %

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	Jul - Sep
Revenues	351	370	383	363	1,468	359	352	350
Mobile Business	214	224	233	223	894	220	219	217
Mobile service revenues	182	188	202	187	759	185	183	180
Data revenues	107	115	118	112	451	111	119	122
Handset revenues	32	36	31	36	134	35	37	37
Fixed Business	137	146	151	141	574	138	131	132
FBB and new services revenues (1)	74	81	85	84	324	80	77	78
Pay TV revenues	21	22	22	14	79	20	18	20
Voice & access revenues	42	44	43	42	171	38	36	34
OIBDA	124	128	157	148	556	131	131	137
OIBDA margin	35.1 %	34.6 %	40.9 %	40.6 %	37.9 %	36.6 %	37.3 %	39.2 %
CapEx	23	44	52	74	192	37	43	71
Spectrum	-	-	-	-	-	-	-	-
OIBDA-CapEx	101	84	105	74	364	95	88	66

Note:

- January-September 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	September
Final Clients Accesses	18,116.5	18,515.9	18,728.2	19,067.3	19,191.2	19,268.5	19,257.0
Fixed telephony accesses (1)	1,619.8	1,635.8	1,626.0	1,582.4	1,561.0	1,520.6	1,497.3
Internet and data accesses	1,233.9	1,245.8	1,247.7	1,220.4	1,205.7	1,185.6	1,176.7
Broadband	1,220.2	1,232.2	1,234.2	1,207.1	1,193.6	1,173.3	1,164.1
FTTx	167.7	284.4	302.7	303.7	305.5	308.0	311.7
Mobile accesses	14,716.1	15,070.6	15,290.6	15,716.3	15,884.3	16,029.1	16,060.0
Prepay	11,003.8	11,298.3	11,469.3	11,880.8	12,015.3	12,097.7	12,064.5
Contract	3,712.3	3,772.3	3,821.3	3,835.5	3,869.0	3,931.4	3,995.4
M2M	452.1	480.2	491.5	487.9	485.6	478.3	491.6
Pay TV	546.7	563.8	563.9	548.2	540.2	533.2	523.0
Total Accesses	18,117.0	18,516.4	18,728.7	19,067.8	19,191.2	19,269.0	19,257.0

(1) Includes fixed wireless and VoIP accesses.

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019		
	March	June	September	December	March	June	September
Contract percentage (%)	25.2 %	25.0 %	25.0 %	24.4 %	24.4 %	24.5 %	24.9 %
Smartphones ('000)	6,069.0	6,304.2	6,539.8	6,887.2	7,005.5	7,164.7	6,945.4
Smartphone penetration (%)	42.9 %	43.6 %	44.6 %	45.5 %	45.9 %	46.1 %	44.6 %
LTE ('000)	4,585.6	5,006.8	5,492.4	6,030.8	6,536.1	6,946.0	7,203.5
LTE penetration (%)	32.1 %	34.3 %	37.1 %	39.6 %	42.4 %	44.7 %	46.3 %
Mobile churn (quarterly)	3.4 %	3.2 %	3.3 %	3.0 %	3.2 %	3.0 %	3.2 %
Contract (1)	1.7 %	1.6 %	1.7 %	1.9 %	1.8 %	1.8 %	1.8 %
Mobile churn (cumulative YTD)	3.4 %	3.2 %	3.2 %	3.2 %	3.2 %	3.1 %	3.1 %
Contract (1)	1.7 %	1.6 %	1.6 %	1.7 %	1.8 %	1.8 %	1.8 %
Mobile ARPU (EUR) (cumulative YTD)	4.0	4.0	4.0	3.9	3.6	3.5	3.5
Prepay	1.1	1.1	1.1	1.0	0.9	0.9	0.9
Contract (1)	13.4	13.4	13.5	13.3	12.5	12.3	12.1
Mobile data traffic (TB) (cumulative YTD)	31,191	65,600	105,536	152,025	49,686	104,975	167,827
Fixed telephony ARPU (EUR) (cumulative YTD)	8.0	8.1	8.2	8.1	7.7	7.5	7.2
Pay TV ARPU (EUR) (cumulative YTD)	12.5	12.6	12.8	11.7	11.9	11.4	11.7
Broadband ARPU (EUR) (cumulative YTD)	10.6	10.9	11.1	11.2	11.1	11.2	11.3
Fixed data traffic (TB) (cumulative YTD) (2)	295,782	619,750	964,597	1,338,012	451,809	907,557	1,404,397

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	Jul - Sep
Revenues	277	297	293	308	1,175	296	316	300
Service revenues	221	228	231	209	889	222	234	228
Data revenues	133	95	123	107	459	127	132	139
Handset revenues	56	69	62	99	286	73	81	73
OIBDA	41	55	40	13	150	22	24	53
OIBDA margin	15.0 %	18.6 %	13.7 %	4.2 %	12.8 %	7.5 %	7.7 %	17.8 %
CapEx	13	33	43	208	296	12	35	42
Spectrum	-	-	-	135	135	-	-	18
OIBDA-CapEx	29	23	(3)	(195)	(146)	11	(11)	11

Note:

- January-September 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	September
Mobile accesses	25,269.3	25,499.9	25,525.0	26,309.9	25,502.3	24,567.3	26,926.3
Prepay	22,977.1	23,124.3	23,193.1	23,947.0	23,136.6	22,169.1	24,499.9
Contract	2,292.2	2,375.6	2,331.9	2,362.9	2,365.7	2,398.2	2,426.4
M2M	932.7	982.8	1,002.1	1,012.1	1,020.0	1,020.9	1,006.4
Fixed wireless	750.6	768.6	706.9	703.1	635.1	572.0	575.2
Total Accesses	26,019.9	26,268.5	26,231.9	27,013.0	26,137.4	25,139.3	27,501.4

SELECTED OPERATIONAL DATA

Unaudited figures

	2018				2019		
	March	June	September	December	March	June	September
Contract percentage (%)	9.1 %	9.3 %	9.1 %	9.0 %	9.3 %	9.8 %	9.0 %
Smartphones ('000)	11,339.0	11,020.6	11,464.6	11,351.1	11,494.7	12,066.1	11,585.3
Smartphone penetration (%)	46.7 %	45.0 %	46.8 %	44.9 %	47.0 %	51.3 %	44.7 %
LTE ('000)	5,427.6	5,591.8	5,828.7	6,589.6	6,996.1	7,520.5	7,429.5
LTE penetration (%)	22.3 %	22.8 %	23.8 %	26.0 %	28.6 %	31.9 %	28.7 %
Mobile churn (quarterly)	3.7 %	3.6 %	3.8 %	3.2 %	4.7 %	5.2 %	0.7 %
Contract (1)	3.1 %	4.1 %	4.6 %	4.0 %	3.3 %	3.2 %	3.1 %
Mobile churn (cumulative YTD)	3.7 %	3.6 %	3.7 %	3.6 %	4.7 %	5.0 %	3.5 %
Contract (1)	3.1 %	3.6 %	3.9 %	4.0 %	3.3 %	3.2 %	3.2 %
Mobile ARPU (EUR) (cumulative YTD)	2.4	2.4	2.4	2.3	2.3	2.4	2.4
Prepay	1.9	2.0	2.0	1.9	1.9	2.0	2.0
Contract (1)	11.4	10.4	10.5	9.5	10.9	10.8	10.7
Mobile data traffic (TB) (cumulative YTD)	46,704	101,195	170,382	261,553	105,005	226,080	358,400

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	Jan - Sep
Operating income before D&A (OIBDA)	3,864	8,102	12,035	15,571	4,264	8,702	11,450
Depreciation and amortisation	(2,227)	(4,405)	(6,581)	(9,049)	(2,614)	(5,248)	(7,827)
Operating income (OI)	1,638	3,697	5,454	6,522	1,650	3,454	3,622

- January-September 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	September 2019
Non-current financial liabilities	45,334	47,611
Current financial liabilities	9,368	9,288
Gross Financial Debt	54,702	56,900
Cash and cash equivalents	(5,692)	(8,778)
Other assets included in "Other current financial assets"	(2,209)	(3,037)
Cash and other current financial assets included in "Non-current assets held for sale"	(165)	(19)
Positive mark-to-market value of long-term derivative instruments	(2,776)	(4,635)
Other liabilities included in "Payables and other non-current liabilities"	800	808
Other liabilities included in "Payables and other current liabilities"	111	102
Other assets included in "Financial assets and other non-current assets"	(1,593)	(952)
Other assets included in "Receivables and other current assets"	(867)	(767)
Other assets included in "Tax receivables"	(568)	(564)
Financial liabilities included in "Liabilities associated with non-current assets held for sale"	42	37
Finance Leases under IAS 17 (1)	(202)	n.a
Mark-to-market adjustment by cash flow hedging activities related to debt (1)	(510)	(801)
Net Financial Debt* (1)	41,074	38,293
Lease Liabilities	n.a.	7,301
Net Financial Debt including Lease liabilities	n.a.	45,594
Gross commitments related to employee benefits	5,940	6,869
Value of associated Long-term assets	(704)	(134)
Tax benefits	(1,390)	(1,772)
Net commitments related to employee benefits	3,846	4,963
Net financial debt plus commitments*	44,920	43,256
Net Financial Debt / OIBDA (2)	2.62x	2.49x

Notes:

(*) Includes assets and liabilities defined as net financial debt plus commitments for El Salvador 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 €2,330m, €3,784m included as financial liabilities and €6,114m 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	September
A	Net Financial Debt (1)	42,837	42,651	41,658	41,074	40,381	40,230	38,293
B	OIBDA from last 12 months	16,030	16,110	15,948	15,571	15,971	16,171	14,986
C	OIBDA Adjustments (2)	325	56	(152)	135	(486)	(838)	368
	OIBDA from Cos. incorporated (removed)	8	4	-	-	(46)	(103)	(162)
	Goodwill Impairment	-	108	108	350	350	242	242
	Restructuring charges	270	291	303	461	466	440	2,289
	Distribution channel optimization	13	13	13	-	23	23	23
	Capital gains/losses on sale of companies	-	-	(21)	(18)	(104)	(291)	(661)
	Tariff increases in Venezuela	(2)	(2)	(2)	-	-	-	-
	Contingencies	107	213	323	215	215	109	(1)
	Venezuela Synthetic FX	15	-	-	-	-	-	-
	Judicial decision PIS/COFINS	0	(485)	(792)	(789)	(789)	(304)	3
	IFRS 16 Impact	-	-	-	-	(414)	(768)	(1,180)
	Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)	(103)
	Finance Lease adjustment (2)	(86)	(85)	(85)	(84)	(84)	(84)	(83)
D= B+C	OIBDA Adjusted	16,355	16,166	15,796	15,706	15,485	15,333	15,354
E= A/D	Net Financial Debt / OIBDA (2)	2.62x	2.64x	2.64x	2.62x	2.61x	2.62x	2.49x

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	Jan - Sep
Net cash flow provided by operating activities	2,621	6,101	9,210	13,423	3,659	7,294	11,053
(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)	(5,902)
Government grants received	-	37	37	37	-	-	-
Dividends paid to minority shareholders	(168)	(406)	(527)	(746)	-	(292)	(445)
Payments related to cancellation of commitments	201	398	581	775	239	419	595
Free Cash Flow excluding Lease Principal Payments (2)	n.a.	n.a.	n.a.	n.a.	1,908	3,587	5,302
Lease Principal Payments (2)	n.a.	n.a.	n.a.	n.a.	(500)	(831)	(1,152)
FCF Including Lease Principal Payments	550	1,548	2,957	4,904	1,408	2,756	4,150

(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 - Sep	Jan - Sep
T. ESPAÑA								
REPORTED DATA	3,098	6,265	9,453	12,706	3,108	6,283	9,501	0.5
Changes in the consolidation perimeter	(0)	(0)	(1)	(1)	-	-	-	
T. ESPAÑA ORGANIC	3,098	6,265	9,452	12,705	3,108	6,283	9,501	0.5
T. DEUTSCHLAND								
REPORTED DATA	1,767	3,525	5,355	7,320	1,779	3,564	5,429	1.4
T. DEUTSCHLAND ORGANIC	1,767	3,525	5,355	7,320	1,779	3,564	5,429	1.4
T. UK								
REPORTED DATA	1,586	3,223	4,945	6,790	1,691	3,411	5,184	4.8
Forex impact	-	-	-	-	(20)	(25)	(6)	
T. UK ORGANIC	1,586	3,223	4,945	6,790	1,670	3,386	5,178	4.7
T. BRASIL								
REPORTED DATA	2,705	5,227	7,572	10,126	2,563	5,030	7,536	(0.5)
Forex impact	-	-	-	-	189	254	156	
T. BRASIL ORGANIC	2,705	5,227	7,572	10,126	2,752	5,283	7,693	1.6
T. HISPAM SUR								
REPORTED DATA	1,833	3,631	4,689	6,677	1,612	3,355	4,785	2.0
Forex impact	-	-	-	-	465	925	1,235	
Hyper-inflation adjustment in Argentina	-	-	621	315	35	(52)	156	
T. HISPAM SUR ORGANIC	1,833	3,631	5,309	6,992	2,112	4,227	6,176	16.3
T. HISPAM NORTE								
REPORTED DATA	971	1,998	3,038	4,075	971	1,985	2,880	(5.2)
Changes in the consolidation perimeter	(40)	(115)	(217)	(350)	-	-	-	
Growth of T. Venezuela	-	-	-	-	-	(51)	(42)	
Forex impact	-	-	-	-	(28)	(37)	(26)	
T. HISPAM NORTE ORGANIC	932	1,883	2,822	3,725	943	1,897	2,811	(0.4)
TELEFÓNICA								
REPORTED DATA	12,190	24,334	35,776	48,693	11,979	24,121	36,023	0.7
Changes in the consolidation perimeter	(43)	(123)	(230)	(370)	-	-	-	
Growth of T. Venezuela	-	-	-	-	-	(48)	(40)	
Forex impact	-	-	-	-	597	1,099	1,337	
Hyper-inflation adjustment in Argentina	-	-	618	313	34	(52)	155	
TELEFÓNICA ORGANIC	12,147	24,211	36,164	48,636	12,611	25,120	37,474	3.6

OIBDA	2018				2019			%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Sep
T. ESPAÑA								
REPORTED DATA	1,224	2,507	3,797	4,763	1,350	2,672	2,318	(38.9)
Restructuring charges	-	-	-	297	-	-	1,732	
Changes in the consolidation perimeter	(0)	0	(1)	(3)	-	-	-	
Capital gains/losses on sale of companies	-	-	-	3	-	-	(27)	
IFRS 16 impact	-	-	-	-	(64)	(123)	(183)	
Distribution channel optimization	-	-	-	-	23	23	23	
Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)	(103)	
T. ESPAÑA ORGANIC	1,223	2,507	3,796	5,060	1,206	2,469	3,760	(1.0)
T. DEUTSCHLAND								
REPORTED DATA	403	882	1,352	1,834	522	1,101	1,697	25.6
Restructuring charges	14	32	46	84	23	40	48	
IFRS 16 impact	-	-	-	-	(129)	(236)	(362)	
T. DEUTSCHLAND ORGANIC	417	914	1,398	1,919	416	904	1,384	(1.0)
T. UK								
REPORTED DATA	430	879	1,343	1,865	504	1,052	1,595	18.7
Restructuring charges	0	0	0	0	-	-	-	
IFRS 16 impact	-	-	-	-	(55)	(110)	(167)	
Forex impact	-	-	-	-	(5)	(7)	(2)	
T. UK ORGANIC	430	879	1,343	1,865	444	935	1,426	6.2
T. BRASIL								
REPORTED DATA	982	2,257	3,332	4,311	1,050	2,050	3,121	(6.3)
Restructuring charges	-	28	27	46	-	-	(0)	
IFRS 16 impact	-	-	-	-	(107)	(214)	(324)	
Contingencies	-	106	216	215	-	-	-	
Judicial decision PIS/COFINS	-	(485)	(792)	(789)	-	-	-	
Changes in the consolidation perimeter	-	-	1	(1)	-	-	-	
Capital gains/losses on sale of companies	-	-	-	-	-	-	(15)	
Forex impact	-	-	-	-	69	93	58	
T. BRASIL ORGANIC	982	1,906	2,784	3,782	1,012	1,929	2,840	2.0
T. HISPAM SUR								
REPORTED DATA	517	1,024	1,236	1,719	441	936	1,267	2.5
Restructuring charges	0	1	27	52	0	4	97	
IFRS 16 impact	-	-	-	-	(40)	(58)	(81)	
Capital gains/losses on sale of companies	-	-	-	-	-	(1)	(33)	
Changes in the consolidation perimeter	-	-	(1)	(1)	-	-	-	
Forex impact	-	-	-	-	130	262	349	
Hyper-inflation adjustment in Argentina	-	-	211	140	21	13	76	
T. HISPAM SUR ORGANIC	517	1,025	1,474	1,910	553	1,155	1,675	13.6
T. HISPAM NORTE								
REPORTED DATA	258	434	748	793	263	525	799	6.8
Restructuring charges	2	2	2	16	-	2	3	
Changes in the consolidation perimeter	(7)	(32)	(66)	(126)	-	-	-	
IFRS 16 impact	-	-	-	-	(45)	(79)	(116)	
Impairments	-	108	108	350	-	-	-	
Growth of T. Venezuela	-	-	-	-	-	(8)	2	
Capital gains/losses on sale of companies	-	-	-	-	-	-	(16)	
Forex impact	-	-	-	-	(3)	2	10	
T. HISPAM NORTE ORGANIC	253	512	792	1,034	215	441	681	(14.0)
TELEFÓNICA								
REPORTED DATA	3,864	8,102	12,035	15,571	4,264	8,702	11,450	(4.9)
Restructuring charges	17	63	99	459	25	47	1,930	
Changes in the consolidation perimeter	(10)	(36)	(81)	(146)	-	-	-	
Capital gains/losses on sale of companies	-	-	(21)	(18)	(86)	(273)	(664)	
IFRS 16 impact	-	-	-	-	(414)	(768)	(1,180)	
Contingencies	-	106	216	215	-	-	-	
Judicial decision PIS/COFINS	-	(485)	(792)	(789)	-	-	-	
Impairments	-	108	108	350	-	-	-	
Distribution channel optimization	-	-	-	-	23	23	23	
Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)	(103)	
Growth of T. Venezuela	-	-	-	-	-	(8)	2	
Forex impact	-	-	-	-	180	332	391	
Hyper-inflation adjustment in Argentina	-	-	229	148	22	8	79	
TELEFÓNICA ORGANIC	3,870	7,857	11,793	15,791	3,911	7,959	11,928	1.1

OPERATING INCOME	2018				2019			%
	Jan - Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan - Mar	Jan - Jun	Jan - Sep	
TELEFÓNICA								
REPORTED DATA	1,638	3,697	5,454	6,522	1,650	3,454	3,622	(33.6)
Restructuring charges	17	63	99	459	25	47	1,930	
Changes in the consolidation perimeter	(2)	(16)	(41)	(79)	-	-	-	
Capital gains/losses on sale of companies	-	-	(21)	(18)	(86)	(273)	(664)	
IFRS 16 impact	-	-	-	-	(29)	15	9	
Contingencies	-	106	216	215	-	-	-	
Judicial decision PIS/COFINS	-	(485)	(792)	(789)	-	-	-	
Impairments	-	108	108	350	-	-	-	
D&A Assets Held for Sale	-	-	-	-	(17)	(42)	(59)	
Distribution channel optimization	-	-	-	-	23	23	23	
Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)	(103)	
Growth of T. Venezuela	-	-	-	-	-	(37)	(41)	
Forex impact	-	-	-	-	121	230	284	
Hyper-inflation adjustment in Argentina	-	-	281	308	68	122	215	
TELEFÓNICA ORGANIC	1,652	3,473	5,304	6,969	1,651	3,435	5,217	(1.6)
CAPEX								
T. ESPAÑA								
REPORTED DATA	346	778	1,157	1,719	377	813	1,194	3.3
Changes in the consolidation perimeter	-	(0)	(0)	(0)	-	-	-	
Capital gains/losses on sale of companies	-	-	-	-	-	-	-	
Spectrum acquisition	-	-	(7)	(122)	-	-	-	
IFRS 16 impact	-	-	-	-	1	1	0	
T. ESPAÑA ORGANIC	346	777	1,149	1,597	378	813	1,194	3.9
T. DEUTSCHLAND								
REPORTED DATA	197	424	740	966	252	496	2,207	198.3
Spectrum acquisition	-	-	-	-	-	-	(1,425)	
T. DEUTSCHLAND ORGANIC	197	424	740	966	252	496	782	5.7
T. UK								
REPORTED DATA	183	987	1,202	1,464	185	409	652	(45.8)
Spectrum acquisition	-	(588)	(588)	(588)	-	-	-	
Forex impact	-	-	-	-	(2)	(3)	(1)	
T. UK ORGANIC	183	399	613	876	183	407	651	6.1
T. BRASIL								
REPORTED DATA	388	892	1,422	1,910	396	934	1,486	4.5
Changes in the consolidation perimeter	-	-	-	-	-	-	-	
Spectrum acquisition	-	-	-	(2)	-	-	-	
Forex impact	-	-	-	-	29	47	31	
T. BRASIL ORGANIC	388	892	1,422	1,909	425	981	1,517	6.7
T. HISPAM SUR								
REPORTED DATA	251	553	685	1,116	243	493	678	(1.0)
Spectrum acquisition	(7)	(6)	(25)	(23)	-	(6)	(5)	
Forex impact	-	-	-	-	78	140	167	
Hyper-inflation adjustment in Argentina	-	-	122	69	6	(3)	19	
T. HISPAM SUR ORGANIC	244	547	782	1,163	327	624	859	9.8
T. HISPAM NORTE								
REPORTED DATA	53	165	297	668	78	184	327	10.0
Changes in the consolidation perimeter	(2)	(9)	(19)	(59)	-	-	-	
Spectrum acquisition	-	(0)	(0)	(135)	(17)	(17)	(35)	
Growth of T. Venezuela	-	-	-	-	-	(4)	(9)	
Forex impact	-	-	-	-	(2)	(3)	0	
T. HISPAM NORTE ORGANIC	51	155	278	475	59	160	284	2.1
TELEFÓNICA								
REPORTED DATA	1,490	3,932	5,680	8,119	1,554	3,385	6,657	17.2
Changes in the consolidation perimeter	(2)	(9)	(20)	(59)	-	-	-	
Capital gains/losses on sale of companies	-	-	-	-	-	-	-	
Spectrum acquisition	(7)	(595)	(621)	(870)	(17)	(23)	(1,465)	
IFRS 16 impact	-	-	-	-	1	1	0	
Growth of T. Venezuela	-	-	-	-	-	(4)	(9)	
Forex impact	-	-	-	-	103	181	196	
Hyper-inflation adjustment in Argentina	-	-	123	70	6	(3)	19	
TELEFÓNICA ORGANIC	1,481	3,327	5,163	7,259	1,647	3,537	5,398	4.6

OIBDA-CapEx	2018				2019			%
	Jan -Mar	Jan - Jun	Jan - Sep	Jan - Dec	Jan -Mar	Jan - Jun	Jan - Sep	
T. ESPAÑA								
REPORTED DATA	878	1,729	2,641	3,044	973	1,859	1,124	(57.4)
Restructuring charges	-	-	-	297	-	-	1,732	
Changes in the consolidation perimeter	(0)	0	(1)	(2)	-	-	-	
Capital gains/losses on sale of companies	-	-	-	3	-	-	(27)	
Spectrum acquisition	-	-	7	122	-	-	-	
IFRS 16 impact	-	-	-	-	(64)	(123)	(183)	
Distribution channel optimization	-	-	-	-	23	23	23	
Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)	(103)	
T. ESPAÑA ORGANIC	877	1,729	2,647	3,463	828	1,656	2,566	(3.1)
T. DEUTSCHLAND								
REPORTED DATA	207	458	612	868	270	605	(509)	c.s.
Restructuring charges	14	32	46	84	23	40	48	
Spectrum acquisition	-	-	-	-	-	-	1,425	
IFRS 16 impact	-	-	-	-	(129)	(236)	(362)	
T. DEUTSCHLAND ORGANIC	221	490	658	952	164	408	602	(8.5)
T. UK								
REPORTED DATA	247	(107)	141	400	319	642	943	n.s.
Restructuring charges	0	0	0	0	-	-	-	
Spectrum acquisition	-	588	588	588	-	-	-	
IFRS 16 impact	-	-	-	-	(55)	(110)	(167)	
Forex impact	-	-	-	-	(2)	(4)	(1)	
T. UK ORGANIC	247	481	730	988	261	529	775	6.2
T. BRASIL								
REPORTED DATA	594	1,365	1,910	2,401	654	1,117	1,635	(14.4)
Restructuring charges	-	28	27	46	-	-	(0)	
Changes in the consolidation perimeter	-	-	1	(1)	-	-	-	
Spectrum acquisition	-	-	-	2	-	-	-	
IFRS 16 impact	-	-	-	-	(107)	(214)	(324)	
Contingencies	-	106	216	215	-	-	-	
Judicial decision PIS/COFINS	-	(485)	(792)	(789)	-	-	-	
Capital gains/losses on sale of companies	-	-	-	-	-	-	(15)	
Forex impact	-	-	-	-	40	46	27	
T. BRASIL ORGANIC	594	1,014	1,362	1,873	587	948	1,323	(2.9)
T. HISPAM SUR								
REPORTED DATA	266	471	551	603	199	443	589	6.8
Restructuring charges	0	1	27	52	0	4	97	
Spectrum acquisition	7	6	25	23	-	6	5	
IFRS 16 impact	-	-	-	-	(40)	(58)	(81)	
Capital gains/losses on sale of companies	-	-	-	-	-	(1)	(33)	
Changes in the consolidation perimeter	-	-	(1)	(1)	-	-	-	
Forex impact	-	-	-	-	52	122	182	
Hyper-inflation adjustment in Argentina	-	-	89	70	15	15	57	
T. HISPAM SUR ORGANIC	273	478	692	747	226	531	816	17.9
T. HISPAM NORTE								
REPORTED DATA	205	269	451	125	185	340	472	4.6
Restructuring charges	2	2	2	16	-	2	3	
Changes in the consolidation perimeter	(5)	(23)	(47)	(67)	-	-	-	
Spectrum acquisition	-	0	0	135	17	17	35	
IFRS 16 impact	-	-	-	-	(45)	(79)	(116)	
Impairments	-	108	108	350	-	-	-	
Growth of T. Venezuela	-	-	-	-	-	(4)	11	
Capital gains/losses on sale of companies	-	-	-	-	-	-	(16)	
Forex impact	-	-	-	-	(1)	5	9	
T. HISPAM NORTE ORGANIC	202	357	515	559	156	281	398	(22.7)
TELEFÓNICA								
REPORTED DATA	2,374	4,170	6,354	7,453	2,710	5,317	4,793	(24.6)
Restructuring charges	17	63	99	459	25	47	1,930	
Changes in the consolidation perimeter	(8)	(27)	(61)	(87)	-	-	-	
Capital gains/losses on sale of companies	-	-	(21)	(18)	(86)	(273)	(664)	
Spectrum acquisition	7	595	621	870	17	23	1,465	
IFRS 16 impact	-	-	-	-	(414)	(769)	(1,180)	
Contingencies	-	106	216	215	-	-	-	
Judicial decision PIS/COFINS	-	(485)	(792)	(789)	-	-	-	
Impairments	-	108	108	350	-	-	-	
Distribution channel optimization	-	-	-	-	23	23	23	
Capital gains from the assignment of future rights	-	-	-	-	(103)	(103)	(103)	
Growth of T. Venezuela	-	-	-	-	-	(4)	10	
Forex impact	-	-	-	-	78	151	195	
Hyper-inflation adjustment in Argentina	-	-	106	79	16	11	60	
TELEFÓNICA ORGANIC	2,389	4,529	6,630	8,532	2,264	4,423	6,529	(1.5)

Note:

- January-September 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)

	2019			
	OIBDA	Jan -Mar	Jan - Jun	Jan - Sep
TELEFÓNICA				
REPORTED DATA		4,264	8,702	11,450
Restructuring charges		12	28	1,904
Distribution channel optimization		23	23	23
Capital gains/losses on sale of companies		(86)	(273)	(664)
Capital gains from the assignment of future rights		(103)	(103)	(103)
Growth of T. Venezuela		-	(8)	2
TELEFÓNICA UNDERLYING		4,109	8,368	12,611

	2019			
	NET INCOME	Jan -Mar	Jan - Jun	Jan - Sep
TELEFÓNICA				
REPORTED DATA		926	1,787	1,344
PPA		100	193	285
Restructuring charges		8	20	1,421
Distribution channel optimization		17	17	17
Capital gains/losses on sale of companies		(88)	(151)	(417)
Capital gains from the assignment of future rights		(77)	(77)	(77)
Growth of T. Venezuela		-	(8)	2
Tax liability recognition		-	152	165
Interests on tax refund		-	(151)	(151)
TELEFÓNICA UNDERLYING		885	1,782	2,588

Notes:

- January-September 2019 results reported under accounting standard IFRS 16, effective since January 2019.

- Underlying growth: Excludes 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.

TELEFÓNICA

SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	2019			2019 (IAS 17) (*)		
	Jan - Mar	Apr - Jun	Jul - Sep	Jan - Mar	Apr - Jun	Jul - Sep
OIBDA	4,264	4,438	2,748	3,850	4,083	2,337
Telefónica España	1,350	1,322	(353)	1,286	1,263	(413)
Telefónica Deutschland	522	578	597	393	471	472
Telefónica UK	504	548	543	449	493	485
Telefónica Brasil	1,050	1,001	1,071	943	893	961
Telefónica Hispam Sur (1)	441	495	331	402	476	308
Telefónica Argentina	145	181	94	136	173	84
Telefónica Chile	169	170	183	150	150	173
Telefónica Perú	107	125	33	95	134	31
Telefónica Uruguay	21	20	20	21	20	19
Other & eliminations	-	(0)	1	-	(0)	1
Telefónica Hispam Norte (2)	263	261	274	219	226	238
Telefónica Colombia	131	131	137	126	133	146
Telefónica México	22	24	53	3	7	21
Telefónica Centroamérica	72	59	45	57	46	33
Telefónica Ecuador	38	37	41	34	32	38
Telefónica Venezuela	1	10	(2)	1	10	(2)
Other & eliminations	(1)	(1)	0	(1)	(1)	0
Other companies & eliminations	134	232	286	158	261	286
Telxius	129	124	128	105	98	101
OIBDA-CapEx	2,710	2,607	(524)	2,296	2,253	(936)
Telefónica España	973	887	(735)	908	828	(795)
Telefónica Deutschland	270	335	(1,114)	141	227	(1,239)
Telefónica UK	319	324	301	264	269	243
Telefónica Brasil	654	463	518	547	355	409
Telefónica Hispam Sur (1)	199	244	145	159	226	123
Telefónica Argentina	56	95	57	47	87	47
Telefónica Chile	80	76	111	62	56	101
Telefónica Perú	46	60	(37)	34	69	(39)
Telefónica Uruguay	16	14	14	16	13	14
Other & eliminations	-	(0)	1	-	(0)	1
Telefónica Hispam Norte (2)	185	155	131	141	120	95
Telefónica Colombia	95	88	66	89	90	75
Telefónica México	11	(11)	11	(9)	(29)	(21)
Telefónica Centroamérica	49	49	32	33	36	21
Telefónica Ecuador	32	25	28	28	20	26
Telefónica Venezuela	0	5	(6)	0	5	(6)
Other & eliminations	(1)	(1)	0	(1)	(1)	0
Other companies & eliminations	112	199	229	136	227	229
Telxius	120	40	44	96	14	17

Notes:

- January-September 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-September 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. Panamá since 1 September 2019, T. Nicaragua since 1 May 2019, T. Guatemala 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.

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Unaudited figures (Euros in millions)

	2019		
	Jan - Mar	Apr - Jun	Jul - Sep
T. ESPAÑA	1	15	22
T. DEUTSCHLAND	104	43	37
T. UK	26	43	52
T. BRASIL	11	242	72
T. HISPAM SUR (1)	7	70	18
T. HISPAM NORTE (2)	7	37	14
Other companies and eliminations	2	20	28
Telxius	4	35	28
TOTAL GROUP	159	470	243

Notes:

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

- No data available in 2018.