

NOTA DE PRENSA

PRESS RELEASE

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The Company boosts its cash flow generation that grows 92% to 2,315 million euros between January-September, with an improving trend that will allow to exceed 4,000 million euros at the end of the year

TELEFÓNICA POSTS NET PROFIT OF 2,225 MILLION EUROS IN THE FIRST NINE MONTHS OF THE YEAR, WITH A SIGNIFICANT IMPROVEMENT (+38.5%) IN THE THIRD QUARTER

- Until September and in organic terms, all the metrics improve: Revenues, +0.8%; OIBDA, +3.1%; and Operating Cash Flow, +5.7%.
- All regions show growth:
 - The principal markets of the Group, Spain (24.8% of consolidated revenues) and Brazil (21%), reported solid figures and trends. España –with the year-on-year revenues from Fusión rising at a rate of 23%– maintained profitable growth, with the year-on-year growth between January and September of the OIBDA and operating cash flow, excluding non-recurrent items, of 2.1% and 3.4% respectively. Brazil, for its part, strengthened its leadership position and saw accelerated performance in the main metrics, both in the third quarter and the accumulated total for the year, boosting operating cash flow generation (+38% in the quarter; +35% since January).
 - The OIBDA of Telefónica Hispanoamérica (23.9% of revenues) has returned to organic growth of OIBDA and margin, while Telefónica UK (13.4%) is holding steady thanks to a solid commercial momentum, capturing 199 thousand mobile customers on contract in the third quarter and an improvement of the main metrics during the quarter. Finally, Telefónica Deutschland (14.5%) saw accelerated performance of its OIBDA and margin from capturing incremental synergies.
- Telefónica's consolidated revenues totalled 38,315 million euros in the first nine months of the year, driven by the service revenues, which registered organic year-on-year growth of 2.2%. Hispanoamérica and Brazil made up 45% of the Group's business and consolidated themselves as the main drivers of growth.
- The OIBDA between January and September reached 11,931 million euros, and in organic terms, its performance improved (+2.4 percentage points vs. the second quarter) and all regions of the Group saw generalised growth.
- As a result, profitability expanded by 0.7 percentage points to 31.1% of the OIBDA margin, while operating cash flow accelerated its organic growth, both in the year (+5.7%) and in the quarter (+10.8%) exceeding 5,900 million euros between January and September.

- As of September Telefónica had invested over 6,000 million euros, including the acquisition of spectrum. Consequently, the Company owns a differential infrastructure, which includes 33.7 million premises passed with fibre and LTE coverage that exceeds 58% on average (86% in Europe).

Madrid, 27 October 2016.- Telefónica's net profit stands at 2,225 million euros after the first nine months of the current year, having gained a significant improvement in the Company's net income in the third quarter of the current year (+38,5%, 983 million euros between July and September).

The accounts published today also show an acceleration in the Company's cash flow generation capacity which grew 92% during the year (2,315 million euros between January-September), with an increasing trend that will allow to exceed 4,000 million euros at the end of the year.

In this context of growth acceleration and organic deleverage – resulting in a net debt reduction of 2,584 million euros since July- the Company has decided to adapt the dividend in line with the market's standards. This was explained by José María Álvarez-Pallete, Executive Chairman of Telefónica, that in the results report published today has highlighted that this decision aims to "strengthen the balance sheet and intensify the organic deleverage, maintaining an attractive shareholder remuneration".

Previously, Álvarez-Pallete, emphasized the solid results for the quarter "that show an acceleration of the main operational metrics, driven by a broad improvement across different business units and reflecting the success of the transformation strategy".

In this sense, Telefónica presents at the end of September a solid, profitable growth in organic terms which, thanks to cost efficiency and capture of synergies, has accelerated OIBDA and operating cash flow.

In this sense, until September and taking into consideration currency exchange rates and a constant perimeter, the main metrics of the profit-and-loss accounts have seen an increase: revenues rose by 0.8% to 38,315 million euros, with the year-on-year service revenue rising by 2.2%; the OIBDA increased by 3.1% to 11,931 million euros; profitability expanded by 0.7 percentage points to 31.1% of the OIBDA margin; and there were gains in the operating cash flow, as well as the accumulated (+5.7%) and quarterly (+10.8%) cash flows, exceeding 5,900million euros between January and September.

All of this is compatible with a high level of investment, which has surpassed 6bn euros since January, providing Telefónica with the infrastructure that sets it apart, especially in fiber and LTE, thus guaranteeing its excellence in both service and connectivity.

Total accesses reached 349.4 million. The sustained quality of the customer base is reflected in the strong growth of: LTE customers, 1.9 times more than in September 2015, with net additions of 7.3 million in the quarter and with a penetration of 22%; mobile contract accesses (+6% year-on-year) grew across all segments increasing their weight over the total by 2 percentage points to 40%, after recording net additions of 2.0 million in the quarter; smartphones (+20% year-on-year) recorded quarterly net additions of 14.5 million and a penetration of 56% and represented 49% of total fixed broadband accesses in those countries where this service is offered; and fibre and VDSL accesses increased their weight over total fixed broadband by 8 percentage points to 41%.

This better quality base translated in an improved performance of customer metrics. Thus, the average revenue per customer grew by 2.6% vs. the first nine months of 2015 and churn levels continued to improve (-0.3 percentage points vs. July-September 2015).

Analysis of the income statement

In the third quarter, a lower impact of the exchange rates evolution on the main metrics was particularly noteworthy; year-on-year comparisons improved significantly due to the comparison of more homogeneous values as the strong depreciation of Latin American currencies took place in the third quarter of 2015. Thus, the negative impact of exchange rates in July-September was reduced, deducting 9.6 percentage points in revenues and 8.6 percentage points in OIBDA in January-September (-5.5 p.p. and -4.4 p.p. in July-September). Meanwhile, the year-on-year evolution of results does not reflect from this quarter significant changes in the perimeter of consolidation, since GVT and DTS were incorporated in May 2015 (+2.1% percentage points contribution to the year-on-year revenues variation and +1.5 percentage points to that OIBDA in January-September).

Revenues for the third quarter totalled 13,080 million euros, broadly stable in organic terms vs. the same period of the previous year. In January-September, revenues increased to 38,315 million euros, 0.8% higher in organic terms than in the same period of the previous year.

By region, and in the first nine month of the year, T. España accounted for 24.8% of consolidated revenues, followed by T. Hispanoamérica (23.9%), T. Brasil (21.0%), T. Deutschland (14.5%) and T. UK (13.4%), reflecting the high diversification of the Company's asset portfolio.

By service, broadband connectivity revenues increased in the quarter by 13.9% year-on-year organic to represent 35.2% (+16.3% in the first nine months). Mobile data revenue growth sequentially accelerated in the quarter to 12.0% year-on-year organic to represent 51% of mobile service revenues in January-September. At the same time, non-SMS data revenue organic growth accelerated sequentially year-on-year (+20.0% in the third quarter) and represented 81% of data revenues in the first nine months.

Performance of the OIBDA on the increase

Operating expenses for the quarter (9,181 million euros) showed good performance and presented a 1.6% organic year-on-year decline, an improvement of 0.7 percentage points vs. the second quarter of the year due to better commercial expense evolution, capture of synergies and lower transformation expenses, among others. In January-September they totalled 27,191 million euros and decreased by 0.2% organic year-on-year.

Operating income before depreciation and amortisation (OIBDA) increased 3.1% year-on-year in organic terms to 4,175 million euros in the quarter (11,931 million euros in the first nine months, +3.1 year-on-year organic). It is worth noting the improvement in all regions. OIBDA growth accelerated year-on-year (+2.4 percentage points organic vs. the previous quarter) due to the widespread businesses improvement, since Hispanoamérica, Brazil, Germany and the United Kingdom improved their contribution in the quarter.

OIBDA margin for the quarter stood at 31.9%, and continued to expand vs. the previous year. In the first nine months, OIBDA margin (31.1%) increased by 0.7 percentage points in organic terms (+0.7 percentage points reported), reflecting the positive evolution of service revenues, the continued effort to contain costs (implementation of the simplification programme) and the generation of synergies by acquired companies.

Operating income (OI) increased to 1,718 million euros and decreased by 0.4% year-on-year in organic terms (-5.5% reported). In the first nine months of 2016, it amounted to 4,800 million euros (+2.8% year-on-year organic).

Net financial expenses totalled 1,850 million euros in the first nine months of the year and decreased by 3.7% year-on-year mainly due to the savings from debt management. In the third quarter, net financial expenses reached 531 million euros.

Profit attributable to minority shareholders reduced July-September net income by 11 million euros. In January-September, this item contributed 19 million euros to net income.

As a result of the previous items, consolidated net income increased to 983 million euros in the quarter (+38.5% year-on-year) and basic earnings per share stood at 0.19 euros (+44.8% year-on-year). In January-September they totalled 2,225 million euros and 0.41 euros per share, respectively.

CapEx, cash flow and financing activity

CapEx for the first nine months of the year totalled 6,016 million euros, including 341 million euros for spectrum acquisition (331 million euros in the third quarter, of which 282 million euros in Peru and 47 million euros in Brazil), and was mainly focussed on UBB deployment, with the investment in growth and transformation representing 78.8% of the total. Operating cash flow (OIBDA-CapEx) accelerated its year-on-year growth to +10.8% organic in the quarter (+9.3 percentage points vs. the previous quarter) and reached 1,814 million euros. In the first nine months, it totalled 5,915 million euros (+5.7% year-on-year organic).

Free cash flow amounted to 2,315 million euros in the first nine months and increased by 91.9% vs. the same period of 2015. In July-September it amounted to 1,500 million euros, including 330 million euros for spectrum payments mainly in Peru and Brazil, and increased by 7.1% vs. the third quarter of 2015. Net financial debt stood at 49,984 million euros at September 2016 and decreased by 2,584 million euros vs. June 2016. The leverage ratio (net debt over OIBDA) stood at 3.05 times at the end of September 2016.

In the first nine months of 2016, Telefónica's financing activity reached close to 6,800 million equivalent euros, without considering the re-financing of commercial paper and short-term bank loans. The activity focussed mainly on strengthening the liquidity position and refinancing the debt maturities in an environment of very low interest rates. At the end of September, Telefónica maintained undrawn committed credit lines with different credit institutions for an approximate amount of 13,645 million euros (12,136 million euros maturing in more than twelve months) which combined with the equivalent cash position and current financial assets excluding Venezuela, placed liquidity at 19,843 million euros.

Digital Services and Telefónica Global Resources

Considering year-on-year inorganic terms, Digital services revenues stood at 1,162 million euros in the third quarter (+10.7% year-on-year) and 3,511 million in the first nine months of the year (+15.2%).

Video revenues in the quarter (723 million euros) grew year-on-year by 9.9% (+13.3% in the first nine months of the year), driven by the growth of pay TV accesses to 8.4 million at September (4.4 million satellite TV accesses).

The focus on improving the value of the video offering is ongoing and thus, in the quarter, new services were launched in Spain, which improve customer experience: Home Zone (ability to watch TV on three devices simultaneously in HD quality) and Recommendations. In Latin America, an agreement was signed with Vivendi to offer exclusive premium content to mobile customers, incorporating two new services: WatchMusic, a music video platform, and STUDIO+, the first international app for short series.

During the third quarter, Telefónica Global Resources continued building best connectivity as the differentiating pillar in the Telefónica commercial offering, expanding coverage and capacity of the mobile network and deploying fixed UBB access and capabilities.

The Global Network and Operations area focused on the deployment of an efficient and quality UBB network. This supported the total All-IP transformation. At the same time, the network core capacity is being redesigned and expanded, to support the constant growth of data usage, which in the July-September period grew by 46% year-on-year; 65% in mobile broadband and 45% in fixed broadband. The premises passed with fibre reached 33.7 million at the end of September, of which 16.9 million correspond to Brazil (4.7 million fibre to the home and 12.2 million FTTN) while Spain reached 16.4 million fibre to the home. As of September, 53,377 LTE locations were deployed, enabling LTE coverage to increase to 58% (+9 percentage points year-on-year). In Spain, LTE coverage reached 90%, in Germany 77%, in the United Kingdom 93%, in Brazil 49% and in Hispanoamérica 48%.

The Global IT area continued progressing in the E2E digitalisation, with results beginning to show in the operating businesses structural transformation, especially in the Full Stack programmes. Finally, simplification projects in the traditional systems continue to be implemented, reducing servers, Data Centres and applications and increasing virtualisation.

TELEFÓNICA ESPAÑA

Telefónica España results maintained a solid performance during the quarter and continued to post profitable growth, underpinned by a high value offer leveraged on differential assets and unique positioning.

Total accesses stood at 41.4 million, with 27.9 million corresponding to consumer retail customers. "Movistar Fusión" consumer reached 4.3 million customers (+7% year-on-year) and 2.3 million additional mobile lines (+17% year-on-year), with quarterly net additions of 17 thousand new bundles. Additionally, the upselling of current customers and the capture of new customers intensified in the higher value services thanks to the new "Fusión" portfolio. Thus, 35% of "Fusión" customers now enjoys ultrafast fibre (+8 percentage points year-on-year; +3 percentage points quarter-on-quarter) and 68% of pay TV. In the quarter activity, it is also worth to highlight that 54% of "Fusión" gross additions were completely new customers.

Retail broadband accesses grew by 2% year-on-year, with quarterly net additions of 15 thousand accesses. Fibre accesses stood at 2.8 million after recording net quarterly additions of 155 thousand accesses, and almost accounted for half of the broadband base. Pay TV accesses grew 4% year-on-year and stood at 3.7 million, including 678 thousand DTS satellite accesses by satellite. Mobile accesses remained practically stable year-on-year and recovered their total year-on-year growth with 104 thousand net additions. Smartphone penetration (69%; +4 percentage points year-on-year) and LTE (36%; +16 percentage points year-on-year) continued to drive mobile data traffic (+60% year-on-year in the quarter).

Fibre accesses are now available in 16.4 million premises by the end of September (700 thousand more than at June). At the same time, LTE coverage reached 90% of the population (+4 percentage points versus June; and 96% applying a homogeneous criterion to that used by the rest of market players).

Operating revenues for the quarter (3,169 million euros) remained practically stable year-on-year (-0.4%) despite the lower handset revenues. In January-September revenues increased to 9,497 million euros, in line with the same period of 2015 (-0.1%; +3.4% reported). The growth of service revenues continued solid (+0.6% in July-September and +0.9% in the first nine months). "Fusión" revenues grew 20.5% year-on-year to 1,049 million euros (3,043 million euros, +23% year-on-year in the first nine months of the year).

OIBDA reached 1,372 million euros in July-September. It must be noted that OIBDA was impacted in the third quarter of 2016 by the capital gains from the sale of real estate (38 million euros) and by an adjustment in the asset valuation of DTS (38 million euros). Stripping out said non-recurrent impacts, both OIBDA and margin in the quarter grew year-on-year by 1.8% and 0.9% respectively. OIBDA in January-September amounted to 3,955 million euros and margin stood at 41.6%. Stripping out non-recurrent items, OIBDA for the first nine months of the year increased by 2.1% and margin expanded by 0.9 percentage points year-on-year.

CapEx stood at 1,283 million euros in the first nine months of the year, including 7 million euros for the purchase of spectrum in the second quarter of the year. Operating cash flow showed year-on-year growth for the second consecutive quarter (+7.1% excluding non-recurrent items) and reached 2,672 million euros in the first nine months (+3.4% excluding non-recurrent items).

TELEFÓNICA DEUTSCHLAND *(year-on-year changes in organic terms)*

In the third quarter of 2016, Telefónica Deutschland successfully completed the migration of the E-Plus contract customer base to its premium brand O2 and announced its new premium portfolio "O2 free". At the same time, Telefónica Deutschland progressed further with the integration of E-Plus and delivered its synergy targets, while maintaining good trading momentum in a highly competitive German mobile market.

The contract mobile customer base registered 426 thousand net additions in the third quarter. Contract customer base grew 5% year-on-year and reached 20.2 million at the end of September and increased its share over total mobile accesses to 46%. The prepay customer base stood at 23.9 million, posting 231 thousand net additions. Smartphone penetration increased 6 percentage points year-on-year to 59% on the continued growth of LTE. Retail broadband continued to benefit from the strong demand for VDSL (63 thousand VDSL net additions for the period July to September) and the customer base further stabilised year-on-year.

Revenues in the third quarter of 2016 totalled 1,876 million euros and declined 5.2% year-on-year mainly driven by lower handset sales. In the first nine months, revenues reached 5,567 million euros (-4.5% year-on-year). Mobile service revenues amounted to 1,394 million euros in the third quarter, with a broadly stable performance quarter-on-quarter and improved trends when excluding regulatory effects. Mobile data revenues in the July to September period increased by 5.4% year-on-year to 767 million euros on the back of continued growth of non-SMS data revenues.

OIBDA growth ramped-up in the quarter to 3.6% year-on-year excluding non-recurrent factors and totalled 464 million euros leveraged on incremental synergies (30 million euros in the quarter and 125 million euros in January-September period). In the first nine months, OIBDA reached 1,314 million euros (+3.7% year-on-year ex-non recurrent effects). The OIBDA margin stood at 23.6% for the nine months period.

CapEx was up by 5.7% year-on-year to 748 million euros in the nine month period (316 million euros in the third quarter, up 30.4% year-on-year) as investments are back-end loaded in 2016 due to the intensification of the network integration efforts in the second half of the year. Operating Cash Flow (OIBDA-CapEx) totalled 566 million euros in the first nine months, up 1.5% year-on-year excluding non-recurrent effects.

TELEFÓNICA UK *(year-on-year changes in organic terms)*

Telefónica UK maintained solid commercial momentum in the third quarter with improving financial trends, both in top-line and profitability, driven off a valuable and loyal customer base leveraged on the O2 brand's premium positioning and compelling commercial offer.

Total mobile accesses (25.4 million) grew 1% year-on-year driven by a 10% year-on-year increase of the contract mobile customer base (62% of the total; +5 percentage points year-on-year), after recording 199 thousand net additions in the third quarter. Mobile data traffic continued to increase (+64.5% year-on-year in the third quarter), supported by the 51% year-on-year growth of LTE accesses. The rapid deployment of LTE was sustained, reaching 93% outdoor population coverage as of September leading to an LTE base of 10.0 million, with a penetration of 45%. Smartphones stood at 14.1 million at the end of the third quarter (+26% year-on-year), with a penetration of 66%.

Revenues in the third quarter reached 1,676 million euros and grew 0.1% year-on-year excluding the impact of "O2 Refresh", improving the growth trend from the second quarter on the back of strengthening mobile service revenue trends. In the first nine months, revenues totalled 5,140 million euros, remaining flat year-on-year (ex-"O2 Refresh").

OIBDA in the quarter grew 1.6% year-on-year to 458 million euros and improved its trend vs. the second quarter. In the first nine months of the year OIBDA reached 1,375 million euros (+1.0% year-on-year). All this resulted in an OIBDA margin of 26.8% in the nine months to September 2016.

CapEx amounted to 654 million euros in the January-September period, an increase of 10.5% year-on-year, principally devoted to LTE expansion as the Company continues to expand its indoor coverage to reach 98% by 2017.

TELEFÓNICA BRASIL *(year-on-year changes in organic terms)*

In the third quarter of the year, Telefónica Brasil reinforced its leadership in the market and made progress in capturing synergies and efficiencies, translating into solid results that showed sequential acceleration in the year-on-year revenue, OIBDA and operating cash flow growth. The execution of the data centric strategy, the focus on higher value customers (mobile contract and high speed broadband), the cost control and the commercial rationality, foster this excellent performance despite the inflationary pressure and the regulatory impacts.

The Company managed 97.3 million accesses, 6% below September 2015 figure due to the more restrictive criteria in prepay. Thus, mobile accesses decreased by 7% year-on-year to 73.5 million however, in contract, they increased by 7% year-on-year. Year-on-year changes in the fixed business were affected by the homogenisation of accesses criteria with GVT in the fourth quarter of 2015 (with no impact on revenue). For this reason, and due to fixed-mobile substitution, traditional accesses decreased by 2% year-on-year.

Revenues in the third quarter increased to 2,952 million euros (8,039 million in January-September) and increased by 1.1% year-on-year (+0.9% in the first nine months) thanks to the monetisation of data and despite the macro and regulatory impacts in the quarter (+3.3% excluding regulatory impacts in the quarter), as well as lower revenues due to handset sales. Mobile service revenues accelerated its growth to 5.6% year-on-year (+2.7% in the first nine months) while data revenues posted a solid year-on-year growth of 24.4% in both the third quarter and January-September and accounted.

OIBDA stood at 982 million euros in the third quarter of the year (2,629 million in the first nine months), increasing 9.5% year-on-year (+7.8% in the first nine months). For yet another quarter, performance was driven by the generation of synergies, reaching 155 million euros of positive impact on OIBDA in the first nine months. Thus, the OIBDA margin increased to 32.7% in the year (+2.1 percentage points year-on-year).

CapEx reached 1,369 million euros in the first nine months (accounting for 16% of revenues). Investment was dedicated to expanding LTE coverage and 3G capacity in order to provide our customers with superior quality. Operating cash flow (OIBDA-CapEx) totalled 1,260 million euros in the first nine months and its year-on-year growth accelerated for yet another quarter to 34.9% (+37.9% in the quarter).

TELEFÓNICA HISPANOAMÉRICA <i>(year-on-year changes in organic terms)</i>

In the third quarter of the year, Telefónica Hispanoamérica showed significant improvement in year-on-year trends in revenues, OIBDA and margin as a result of the increase in the penetration of high value customers and efficiencies implemented which enable the highly competitive environment in the region and the difficult macroeconomic situation in some countries to be offset.

Total accesses increased to 135.4 million at September and grew 2% year-on-year. The strategic focus on higher quality customers is translated into greater penetration both of smartphones and LTE in the mobile business (41% and 12%; +6 percentage points year-on-year in both) and of broadband at speeds higher than 4 Mb (59% over total broadband accesses, +7 percentage points year-on-year) and pay TV (24% of total fixed accesses, +3 percentage points year-on-year).

Revenues for the July-September period increased to 3,129 million euros (9,144 million euros in January-September) and accelerated their year-on-year growth to 4.1% +6.4% in the first nine months) mainly due to the improvements in mobile service revenues. OIBDA accelerated its year-on-year growth in the quarter to 6.3% (-+1.2% in the first nine months) and reached 970 million euros (2,672 million euros in January-September). The OIBDA margin stood at 29.2% in January-September.

CapEx totalled 1,798 million euros and grew by 5.7% year-on-year in the first nine months. It was mainly devoted to the deployment of the 4G and fibre networks and the improvement of the 3G and copper networks.

Below, main operating figures country by country, considering year-on-year variations in organic terms:

Telefónica Argentina: Accesses increased to 26.8 million, 1% higher than at September 2015. Revenues reached 750 million euros in the July-September period (2,148 million in January-September) and accelerated their year-on-year growth to 19.7% (+18.9% in January-September). OIBDA increased to 211 million euros in July-September and strongly accelerated its year-on-growth to 39.8% (+9.0% in the first nine months). CapEx reached 447 million euros in the first nine months of the year (+34.9% year-on-year) and is mainly devoted to the development of the 4G network and fixed network.

Telefónica Chile: Total accesses stood at 12.4 million. In financial terms, revenues in the third quarter remained virtually stable and reach 1,572 million euros in the first nine months (-0.5% year-on-year). OIBDA amounted to 180 million euros in the quarter and to 524 million euros in January-September (+0.1% year-on-year). CapEx totalled 285 million in the first nine months of the year and was mainly devoted to the deployment of the 4G network, the increase in capacity of 3G and the continuous improvement in the quality of the fixed network.

Telefónica Perú: Total accesses stood at 21.4 million and mobile accesses at 16.0 million. In financial terms, revenues reached 619 million euros in the third quarter and 1,864 million euros in the first ninth months of the year (-3.2% year-on-year). OIBDA amounted to 216 million euros in the quarter and 608 million euros in January-September (-6.6% year-on-year). CapEx totalled 510 million in the first nine months of the year and included 282 million euros for the spectrum acquisition in the third quarter of 2016 and is mainly intended for improving the fixed network and the development of 3G and 4G.

Telefónica Colombia: In the third quarter of the year, Telefónica Colombia improved its results returning to year-on-year growth in OIBDA and mobile service revenues (after four and six quarters of consecutive decreases, respectively). This change in trend is the result of the positive commercial evolution in the last quarters, the update in tariffs ("more for more") and the higher rationalization of commercial expenses. Total accesses increased to 16.5 million, 6% more than in September 2015. Revenues stood at 364 million euros in the July-September period and grew year-on-year by 4.4% (1,034 million euros in January-September, +5.0% year-on-year). Thus, the OIBDA totalled for the first nine months of the year 338 million euros (-5.3% year-on-year). CapEx (214 million euros in January-September) was devoted mainly to the improvement of the fixed broadband network.

Telefónica México: Total accesses increased to 27.2 million (+9% year-on-year) and mobile accesses to 25.9 million (+11% year-on-year) with a solid performance of contract accesses (+14% year-on-year) which represent 7% of the total, despite the aggressive portability in the market. Revenues reached 316 million euros in the third quarter and decreased by 19.4% year-on-year (1,063 million in the first nine months; -7.7% year-on-year) due to the lower service revenues, with a significant regulatory impact. Thus, OIBDA amounted to 81 million euros in the quarter and 249 million euros in the first nine months. CapEx totalled 130 million euros in the first nine months of the year (-6.6% year-on-year), and was mainly devoted to both the development of the capacity and quality of 3G and 4G and the improvement of the distribution channel.