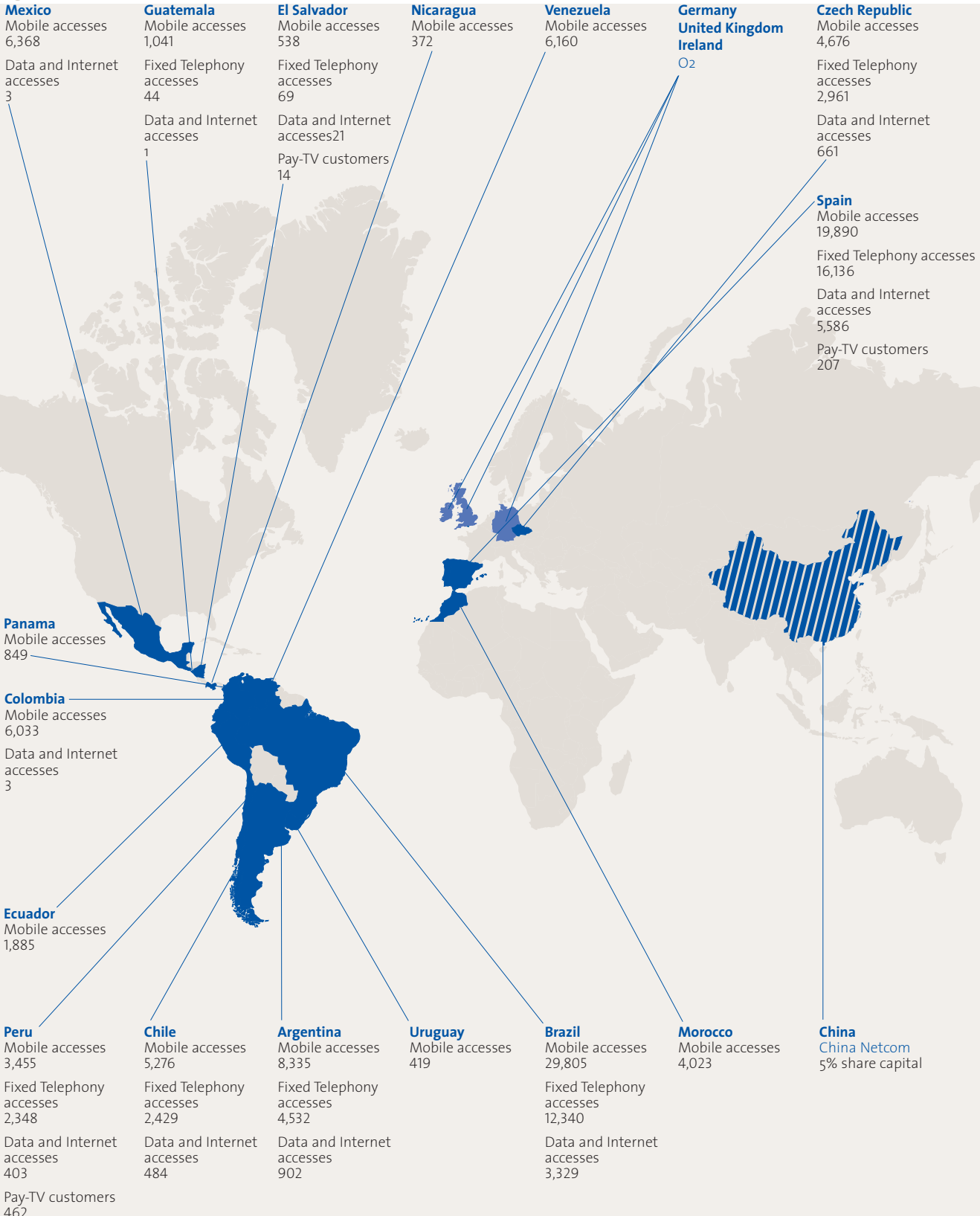


# 2005 Highlights

## Telefónica: Market size (2005)

Figures in thousands



\*For a detailed analysis of the consolidated financial statements of the Telefónica Group, the information audited is included in the annual accounts

# Profitable Growth\*

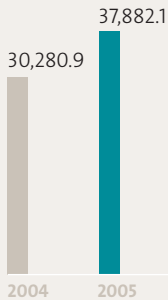
+40%

## Results

4,445.8 million euros

### Revenue

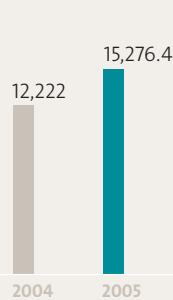
Millions of euros



+25.1%

### OIBDA

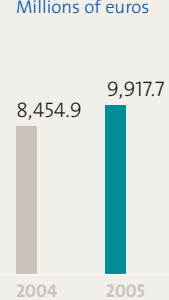
Millions of euros



+25.0%

### Cashflow generation

(OIBDA - CAPEX)  
Millions of euros



+17.3%

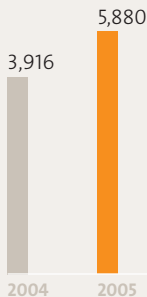
+24%

## Customers

154 million accesses (not including O2)

### Broadband Internet accesses

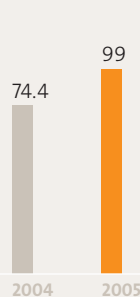
Thousands of Customers



+50.2%

### Mobiles

Thousands of Customers

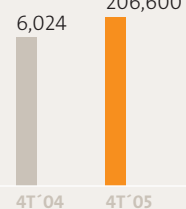


+33.2%

### Imagenio

Customers

For a broken down, detailed analysis of Telefónica Group's consolidated financial statements, please refer to the audited information in the annual statement of accounts



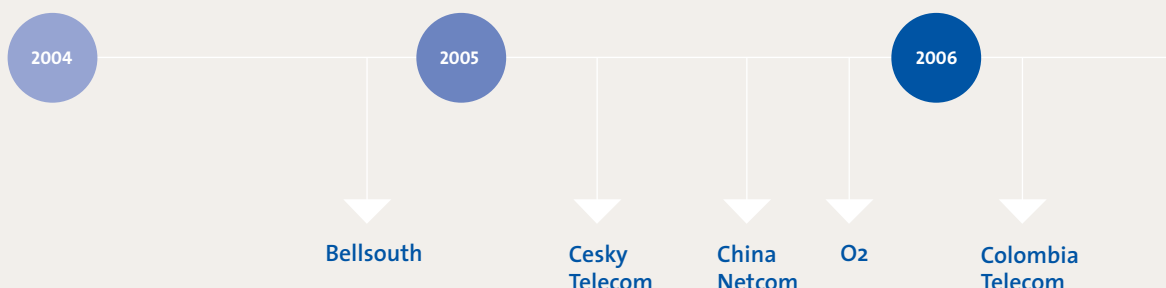
+200.6%

x2

## Size

5 corporate acquisitions in the past 2 years

Growth due to acquisition 2004-2005

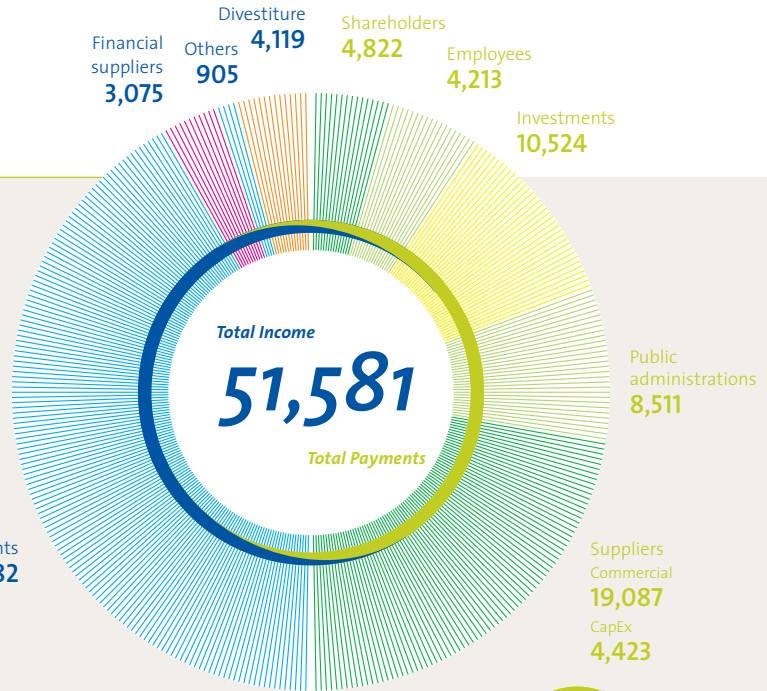


# Driving Progress

## Economic

51,581 million euros

- 18,000 Suppliers
- 1.7% Contribution of income of National GDP
- 154 Million accesses (not including O2)
- 1.5 million shareholders
- 207,000 Employees

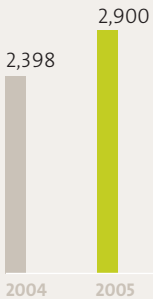


+21%

## Technological

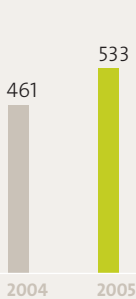
2,900 million euros on innovation

**Innovation**  
Millions of euros



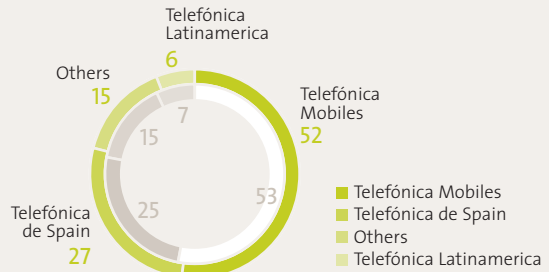
+20.9%

**R&D**  
Millions of euros



+16.6%

**Who innovates?**  
Percentages



## Social

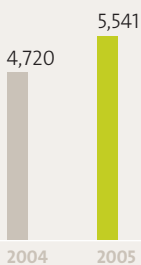
54 million euros in social action

**Social action**  
Millions of euros



+16.6%

**Digital inclusion**  
Millions of lines in low income homes  
LATAM



+17.4%

**Employee training**  
Thousands of hours



+5%

+16%

In the past two years Telefónica has increased its growth by:

**x2** the number of accesses

**+10** more countries

**x1.5** the number of employees

increasing profitability:

**x1.7** in revenue<sup>(\*)</sup>

**x2.37** in net earnings per share<sup>(\*)</sup>