

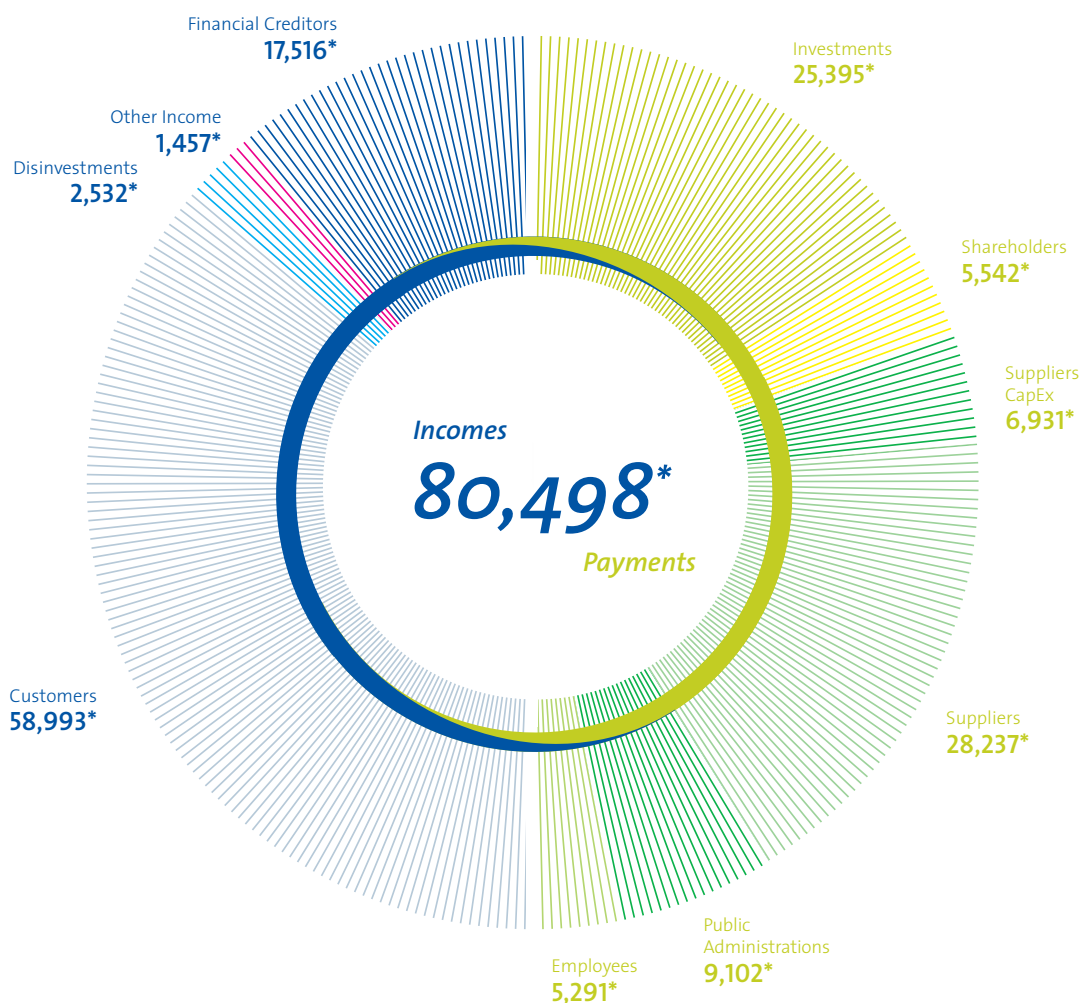
The vision as reality: Driving force of Progress

Telefónica is a driving force for economic, technological and social development in the countries in which it operates

Where does Telefónica's revenue go? In 2006, the company received almost 53 billion euros from its customers and more than 17.5 billion from financial creditors. In total, Telefónica generated revenue for a value of 80.5 billion euros.

This revenue generated the payment of 5.29 billion to employees (6.6% of the total payments); 9.1 billion to Public Administrations (11%); 28.23 billion to commercial suppliers (35%); and 5.54 billion to shareholders (7%). This is the effect of wealth creation.

Furthermore, in 2006, the Company's sales and business volume represented an average of 1.5 of the GDP in the countries in which it operates.



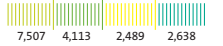


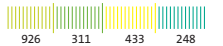


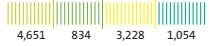


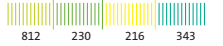





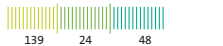














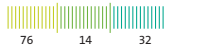








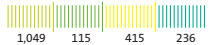














*Figures in millions of euros

The information published on this page has been obtained from internal cash flow evolution sources of the Telefónica Group, and verified by the auditor of the CR report. The mentioned data could be subject to variations as a result of subsequent events and evolutionary effects that could cause changes in their content.

This information has been consolidated on a payments basis, whereas the information on the following page of income has been calculated on an accruals basis.

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

		Economic Impact	GDP/Country	Magnitudes
Spain				
	Spain	Revenue  20,053 Payments  7,507 4,113 2,489 2,638	2.1%	Employees: 57,058 Suppliers: 4,261 (88.20%) Accesses: 42,621
Latin America				
	Argentina	Revenue  2,259 Payments  926 311 433 248	1.3%	Employees: 19,398 Suppliers: 1,577 (94.93%) Accesses: 16,809
	Brazil	Revenue  7,644 Payments  4,651 834 3,228 1,054	1%	Employees: 65,993 Suppliers: 3,547 (99.01%) Accesses: 45,728
	Chile	Revenue  1,738 Payments  812 230 216 343	1.6%	Employees: 12,541 Suppliers: 1,702 (91.83%) Accesses: 8,538
	Colombia	Revenue  1,196 Payments  731 89 184 334	1.2%	Employees: 7,127 Suppliers: 1,471 (92.66%) Accesses: 10,190
	Ecuador	Revenue  282 Payments  139 24 48	0.9%	Employees: 747 Suppliers: 346 (79.48%) Accesses: 2,490
	El Salvador	Revenue  155 Payments  85 14 28	1.1%	Employees: 404 Suppliers: 538 (77.51%) Accesses: 953
	Guatemala	Revenue  168 Payments  104 19 39	0.7%	Employees: 463 Suppliers: 669 (79.22%) Accesses: 1,544
	Mexico	Revenue  1,092 Payments  769 137 63 186	0.2%	Employees: 11,485 Suppliers: 840 (92.74%) Accesses: 8,556
	Nicaragua	Revenue  64 Payments  37 5 11	1.5%	Employees: 304 Suppliers: 387 (71.83%) Accesses: 553
	Panama	Revenue  171 Payments  76 14 32	1.3%	Employees: 571 Suppliers: 596 (81.71%) Accesses: 939
	Peru	Revenue  1,422 Payments  710 198 443 218	2%	Employees: 12,301 Suppliers: 2,190 (89.00%) Accesses: 8,711
	Uruguay	Revenue  82 Payments  64 9 13	0,6%	Employees: 239 Suppliers: 191 (69,11%) Accesses: 777
	Venezuela	Revenue  2,072 Payments  1,049 115 415 236	1.6%	Employees: 6,882 Suppliers: 1,213 (90.52%) Accesses: 8,826
Europe				
	Germany	Revenue  3,404 Payments  386 1,225	0.1%	Employees: 5,335 Suppliers: 11,662
	Ireland	Revenue  872 Payments  87 141	0.5%	Employees: 1,787 Suppliers: 1,632
	UK	Revenue  6,787 Payments  624 958	0.4%	Employees: 13,028 Suppliers: 6,171 Accesses: 17,650
	Czech Republic Including Slovakia Capex	Revenue  2,130 Payments  439 248 415 229	1.9%	Employees: 9,276 Suppliers: 929 (89.99%) Accesses: 7,841

Revenue, cost of human resources, payment of taxes in the country, purchases and investment (Capex) in millions of euros.
 In the absence of tax information in the country, the figures are consolidated like those in the annual accounts. There is no information on purchases and taxes for the United Kingdom, Germany and Ireland.
 % TEF Revenue / GDP: Ratio of Telefónica's revenues (contribution by the country to the consolidated revenue of the Telefónica Group) and the estimated GDP for the country (Source: FMI).
 Employees: Direct employees of Telefónica Group in the country (as at December, 31, 2006).
 Suppliers: Suppliers awarded contracts in the country in 2006.
 Accesses: Equivalent to the number of fixed + mobile + ADSL + TV accesses (thousands).
 (1)% awarded to local suppliers: percentage of contracts awarded to suppliers with registered address in the country with regard to the total number of contract awards, based on awarding volume.