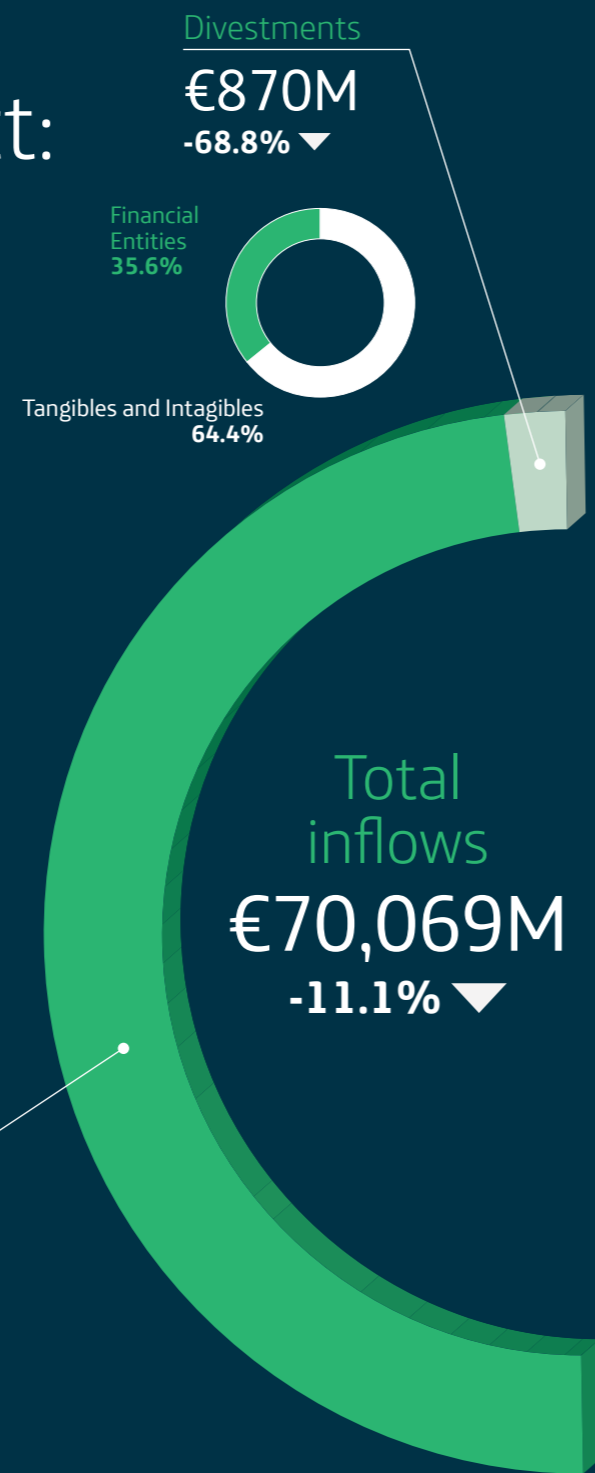


Telefónica making an economic impact: driving force of progress

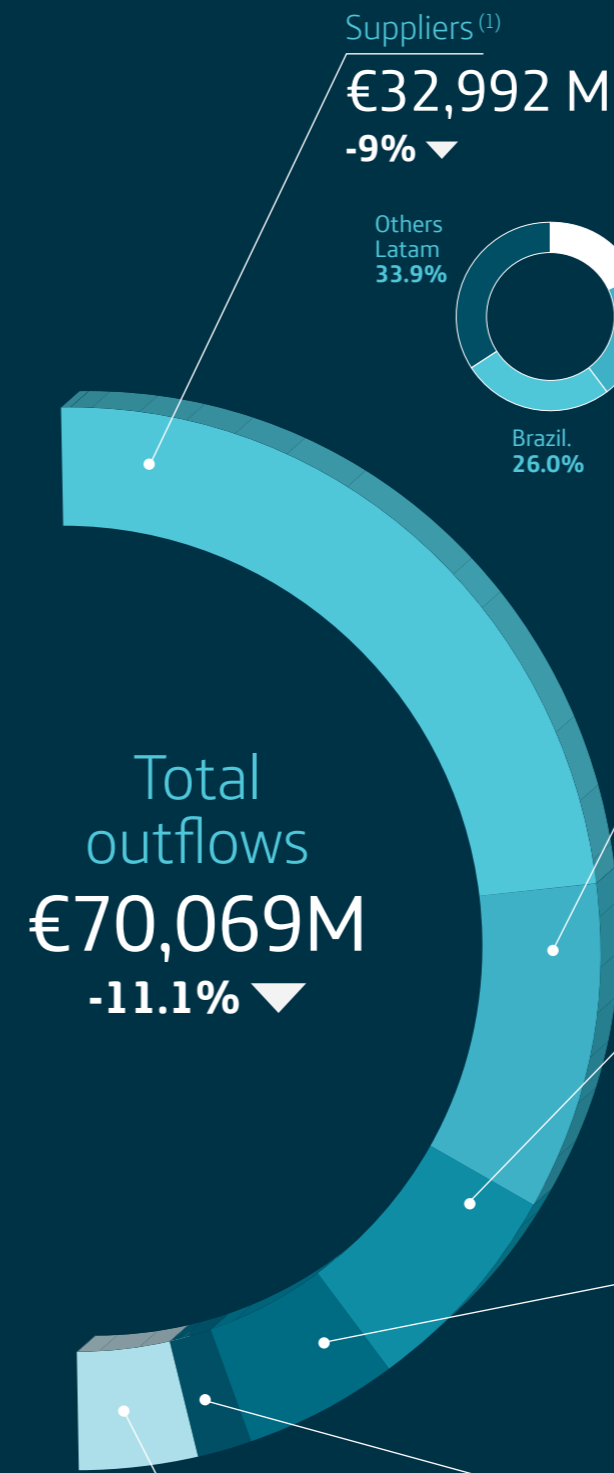
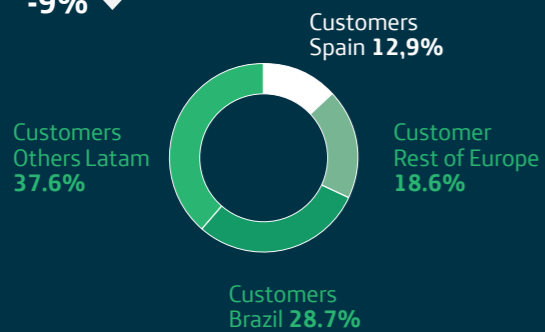
Despite the return to organic growth or revenue obtained in 2013, the effects of the decline of exchange rates for Latin American currencies against the euro has resulted in reduction reported revenues by 8.5%. This, along with the smaller divestments during the financial year (-68.8% compared to the previous year, during which there were permanent financial divestitures in China Unicom and Atento), has resulted in a smaller share of the Company in the global economy when compared to the previous year (-11.1%).

In this manner, the value in which Telefónica has distributed in 2013 has decreased for all its *stakeholders*, except for public authorities (due to tighter fiscal policy, for both taxes being collected and taxes being paid).



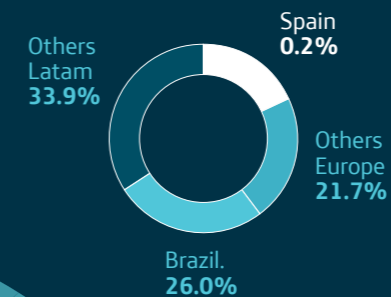
Receivables from operations

€69,149M
 -9% ▼



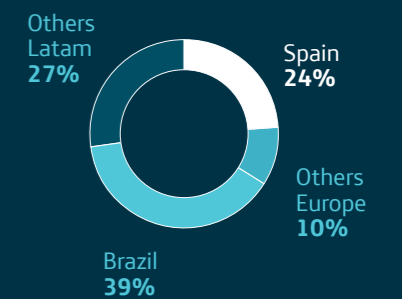
Suppliers⁽¹⁾

€32,992 M
 -9% ▼



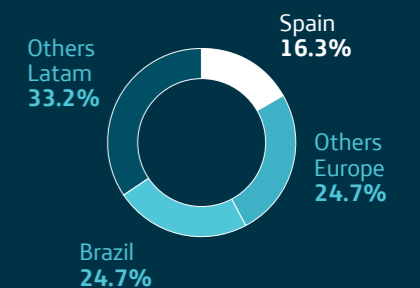
Public Authorities

€14,060 M
 1.6% ▲



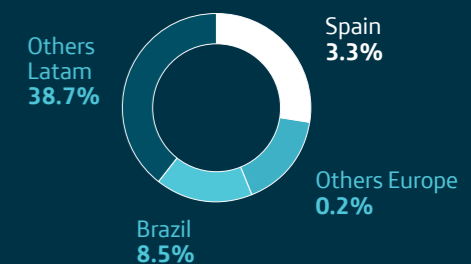
Investment

€9,395M
 -0.7% ▼



Employees

€6,690M
 -13.2% ▼



Shareholders⁽²⁾

€2,559 M
 -2.2% ▼

Others

(Contains financial expenses, fluctuations in exchange rates, transactions involving treasury shares, charges from holdings, etc.)

€4,697 M
 -46.9% ▼

Note: The information on this graph is calculated on the basis of payments and takes into account the scope of consolidation of the consolidated statements of cash flows for the financial years ending on December 31.

⁽¹⁾ Includes all providers for operating expenses, including interconnection and operating leasing.

⁽²⁾ Includes both dividends and capital increases.