TELEFONICA S A
Form 6-K
May 16, 2005

FORM 6–K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a–16 or 15d–16

of the Securities Exchange Act of 1934

For the month of May, 2005

Commission File Number: 001–09531

Telefónica, S.A.

(Translation of registrant's name into English)

Gran Vía, 28

28013 Madrid, Spain

3491–459–3050

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20–F or Form 40–F:

Form 20–F	X	Form 40–F	

Indicate by check mark if the registrant is submitting the Form 6–K in paper as permitted by Regulation S–T Rule 101(b)(1):

Yes		No	X

Indicate by check mark if the registrant is submitting the Form 6–K in paper as permitted by Regulation S–T Rule 101(b)(7):

Yes	No	X

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3–2(b) under the Securities Exchange Act of 1934:

Yes	No	X

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3–2(b): N/A

Telefónica, S.A.

TABLE OF CONTENTS

This document is incorporated by reference in the prospectus filed by Telefonica, S.A. pursuant to Rule 424(b)(3) in connection with the merger of Terra Networks, S.A. with and into Telefonica, S.A., file number 333-123162.

Quarterly results

January–March 2005

TABLE OF CONTENTS

This document contains financial information/data reported under IFRS. These data are preliminary, as only full compliance with International Financial Reporting Standards issued at 31/12/2005 is required, unaudited, and thus, being subject to potential future modifications. This financial information has been prepared based on the principles and regulations known to date, and on the assumption that IFRS principles presently in force will be the same as those that will be adopted to prepare the 2005 full year consolidated financial statements and, consequently, does not represent a complete and final information under these regulations. In addition, the IFRS financial information contained herein may not be comparable to financial information published by Telefónica that was prepared under Spanish GAAP.

The English language translation of the consolidated financial statements originally issued in Spanish has been prepared solely for the convenience of English speaking readers. Despite all the efforts devoted to this translation, certain omissions or approximations may subsist. Telefónica, its representatives and employees decline all responsibility in this regard. In the event of a discrepancy, the Spanish–language version prevails.

These consolidated financial statements are presented on the basis of accounting principles generally accepted in International Financial Reporting Standards (IFRS). Certain accounting practices applied by the Group that conform with generally accepted accounting principles in IFRS may not conform with generally accepted accounting principles in other countries.

TELEFÓNICA GROUP

Market Size

(Data in thousands)

TELEFÓNICA GROUP

ACCESSES

Unaudited figures (thousands)

	January – March		
	2005	2004	% Chg
Fixed telephony accesses (1)	37,713.9	37,410.4	0.8
Internet and data accesses	11,400.8	9,870.4	15.5
Narrowband	5,551.3	6,206.4	
Broadband	5,214.1	3,203.9	
ADSL (2)	4,847.8	2,981.1	
Retail (3)	3,524.9	2,251.2	
Other accesses (4)	635.5	460.2	
Unbundled loops (5)	193.4	24.1	
Pay TV	441.4	384.7	14.7
Cellular accesses (6)	81,438.2	54,192.4	50.3
Total Accesses	130,994.2	101,857.9	28.6

(1) PSTN (including Public Use Telephony) x1; ISDN Basic access x1; ISDN Primary access x30; 2/6 Access. Company's accesses for internal use included.

(2) T Deutschland's connections resold on a retail basis and Cable Modem in Peru included.

(3) TdE Retail includes satellite. TASA Retail includes ISP in the north part of the country.

(4) Cable modem El Salvador, WiFi clients, satellite Latam, fiber and leased circuits included.

(5) Includes fully unbundled loops and shared loops.

(6) Since the cancellation of Movistar Puerto Rico's management contract in September 2004 , its subscriber base is excluded from the Group subscriber base.

TELEFÓNICA GROUP

Financial Highlights

The most relevant factors of the Telefónica Group 2005 first quarter results are the following:

- Solid operating growth, with revenues increasing by 16.7% from the first quarter of 2004:

- Improvement through all business lines, with the cellular business (+34.6%), Telefónica de España Group (+6.0%) and Telefónica Latinoamérica Group (+4.5%) standing out.

- Both Operating Income before D&A (OIBDA) and Operating Income (OI) increased by 16.2% and 25.5%, respectively, from January–March 2004.

- Organic[1]

growth in Revenues, OIBDA and OI would have been +9.2%, +9.5% and 21.3%, respectively.

- Strong growth in the cash generation coupled with profitability, despite intense commercial efforts:

- Operating free cash flow (OIBDA–CapEx) reached 2,670.7 million euros, with a year–on–year increase of 15.2%.

- Consolidated OIBDA margin of 41.2% vs. 41.4% a year ago.

- Consolidated net income of 912.2 million euros, 35.9% more than the one obtained the previous year:

- Earnings per share amounted to 0.184 euros as of March 2005, in comparison with 0.135 euros in the first three months of 2004.

- Total accesses reached 131.0 millions (+28.6% year–on–year), reflecting the strong commercial activity:

- Cellular accesses increased by 50.3% to 81.4 million.

- Retail ADSL accesses amounted to 3.5 million from 2.3 million a year ago.

1

Assuming constant exchange rates and includes the consolidation of the Latin American assets acquired to BellSouth in Argentina, Colombia, Chile, Ecuador, Guatemala, Nicaragua, Panamá, Perú, Uruguay and Venezuela in the cellular business and Atrium in the Telefónica Latinoamérica Group from 1 January 2004.

TELEFÓNICA GROUP

Consolidated Results

The results obtained by Telefónica Group and the management report included in this report are based on the actions carried out by the various business units in the Group and which constitute the units over which management of these businesses is conducted. This implies a presentation of results based on the actual management of the various businesses in which Telefónica Group is present, instead of adhering to the legal structure observed by the participating companies.

In this sense, income statements are presented by business, which basically implies that each line of activity participate in the companies that the Group holds in the corresponding business, regardless of whether said holding has already been transferred or not, even though it might be the final intent of Telefónica, S.A. to do so in the future.

It should be emphasized that this presentation by businesses in no case alters the total results obtained by Telefónica Group. These results are incorporated from the date of effective acquisition of the holding.

The results of the Telefónica Group during the first quarter of 2005 were characterized by the solid growth and profitability of operations despite the intense commercial activity (revenues up 16.7% and Operating Income before D&A up 16.2%), and the higher operating cash flow generated (OIBDA–CapEx up 15.2%). As a result, net income amounted to 912.2 million euros, up 35.9% in relation to the same period of 2004.

As of 31st March, 2005, Telefónica Group had 131.0 million of total accesses (fixed telephony accesses, Internet and data accesses, Pay TV and cellular accesses), 28.6% more than in March 2004. If we include the Cesky Telecom´s accesses, total accesses would amount to 140.0 million.

Cellular accesses were the highest contributor to this evolution, ending the quarter with a managed customer base of 81.4 million (+50.3% year–on–year), adding 3 million new customers in the first quarter 2005. Of the total customer base, 59.1 million corresponded to the Latin American operators, 19.1 million to Telefónica Móviles España and 3.2 million to Medi Telecom (Morocco).

Retail ADSL accesses in Spain and Latin America totaled 3.5 million as of March 31st, 2005, a year–on–year growth of 56.6%. Telefónica Group retail ADSL acceses in Spain totaled 2.1 million (+43.2 vs. March 2004), representing an estimated market share of 54.2% of total broadband market. Retail ADSL accesses in Latin America amounted to 1.5 million, compared with 815,268 a year ago. Among Latin America operators, it should be mentioned Telesp , with 880,183 retail ADSL accesses (+69.9% year–on–year).

Revenues

amounted to 8,278.8 million euros during the first three months of 2005, a 16.7% increase over the same period of the previous year due to the general growth of all business lines, specially the cellular business, thanks to the incorporation of the Latin American operators acquired to

BellSouth. The negative impact of exchange rates deducted only 0.6 percentage points from the revenues growth rate, while variations in the consolidation perimeter added 8.1 percentage points.

By companies, the cellular business, the main contributor to the Group's growth, registered revenues of 3,675.9 million euros, which was 34.6% higher than that recorded in the first quarter of 2004 (variations in the consolidation perimeter[1] accounted for 25.5 percentage points of the growth rate), supported by the positive performance of service revenues (+36%). Likewise, revenues from handset sales also progressed well (+25%). By countries, it's worth to highlight the solid evolution of operations in Spain, Venezuela, Argentina and Colombia.

1 Includes the consolidation of the Latin American assets acquired to BellSouth in Argentina, Colombia, Chile, Ecuador, Guatemala, Nicaragua, Panama, Peru, Uruguay and Venezuela in the cellular business and Atrium in the Telefónica Latinoamérica Group from 1 January 2004.

The Telefónica de España Group, the second largest contributor to the Group's growth, recorded revenues of 2,842.0 million euros during the first quarter of 2005, 6.0% higher than in January–March of the previous year. This performance in sales is due to the contribution of Broadband revenues (+48.3% year–on–year), driven by the higher ADSL client base, and, to a lesser extent, the contribution of Traditional Business revenues (+4.1% year–on–year).

Revenues from the Telefónica Latinoamérica Group, the third largest contributor to the Group's growth, amounted to 1,735.2 million euros during the first quarter of this year to record a 4.5% growth in current euros with regard to the same period of the previous year. In constant euros, this increase is reduced to 3.4%, because of the positive effect of the variation in the exchange rates. This variation was primarily due to Telesp and TASA, whose revenues increased by 3.2% and 11.4% respectively in local currency, although the positive progress of TEA and TIWS (+6.1% and +29.5% in constant euros) must also be noted.

By geographic areas at the end of the quarter, Spain accounted for 56.6% of the Group's revenues, down 5.3 percentage points year–on–year as a result of the increased contribution from Latin America following the acquisition of the BellSouth Latin American operators (39.7% vs. 33.4% at March 31st 2004). In the Latin America region, it´s worth to highlight Venezuela, which accounted for 3.2% of total sales in comparison with the 0.04% a year ago, Colombia (+1.9 percentage points to 2.0%) and Argentina (+1.1 percentage points to 5.0%). Brazil accounted for 16.6%, compared with 17.5% twelve months ago.

Similar to previous quarters, **operating expenses** reflected the aforementioned commercial efforts in the main business lines and the incorporation of BellSouth assets. Hence, there was a year–on–year increase of 18.2% to total 4,993.6 million euros during the first quarter of 2005. According to the breakdown of expenses, the performance was as follows:

- Supplies expenses grew by 25.2% in relation to January–March 2004 (26.4% excluding the forex effect), primarily due to the purchase of equipment for ADSL and Imagenio services by the Telefónica de España Group and the purchase of handsets and variations in the consolidation perimeter in the cellular business.

- Personnel expenses increased by 2.1% due to the trend in the average workforce. The average workforce for the first three months of the year stood at 176,891 employees, an increase of 27,087 people. This 18.1% growth is due to the sharp increase in the Atento Group workforce (+37.4% year–on–year). Excluding the Atento Group, the workforce grew by 6.8%, because the layoffs carried out at Telefónica de España (2003–2007 Redundancy Program) cannot offset the increase in employees from BellSouth Latin American operators. In addition, a provision of 121.3 million euros associated to the acceptance of 398 layoffs from the 1,750 requests received to join the 2003–2007 Redundancy Program has been accounted for.

- External services grew by 24.8% (+25.5% in constant euros) because of the increased commercial activity, mainly by the Telefónica de España Group, the Telefónica Latinoamérica Group and the cellular business, which was also influenced by the changes in the consolidation perimeter.

Moreover, during the quarter there was a gain on **sale of fixed assets** for 120.6 million euros (+26.6 million euros on January–March 2004), mainly coming from the capital gains generated by the sale of Infonet, Radio Continental and Radio Estéreo, both belonging to the ATCO Group, together with the capital gain related to real estate disposal.

As a result, the Telefónica Group recorded **Operating Income before D&A (OIBDA)** of 3,414.7 million euros in the first quarter 2005, 16.2% more than in the same period of 2004. Assuming constant exchange rates and excluding variations in the consolidation perimeter[2], the OIBDA would have grown by 9.5%. The Group's consolidated EBITDA margin was 41.2%, 0.2 percentage points lower than the one registered a year ago.

[2] Includes the consolidation of the Latin American assets acquired to BellSouth in Argentina, Colombia, Chile, Ecuador, Guatemala, Nicaragua, Panamá, Peru, Uruguay and Venezuela in the cellular business and Atrium in the Telefónica Latinoamérica Group from 1 January 2004.

By companies, the cellular business is the Group's biggest contributor to consolidated OIBDA growth, amounting to 1,317.9 million euros in absolute terms to represent 38.6% of total, after growing at a 16.7% rate in comparison with the first three months of 2004. The increase in commercial costs resulting from the operator's strategic efforts to capture a significant part of the growth in Latin America and to maintain its competitive position in Spain led to a 5.5 percentage point reduction in the cellular business OIBDA margin in relation to January–March 2004 to 35.9%.

At the end of the first quarter, OIBDA at the Telefónica de España Group totaled 1,191.9 million euros (34.9% of consolidated OIBDA), a year–on–year increase of 11.9% over the same period of the previous year. The OIBDA margin stood at 41.9% in March 2005, compared with the 39.7% twelve months earlier.

OIBDA at the Telefónica Latinoamérica Group stood at 852.3 million euros during the first three months of 2005 (25.0% of total OIBDA), recording a year–on–year growth of 17.9% in current euros (16.8% in constant euros). The rationalization of operating expenses by operators resulted in a 5.6 percentage point improvement in the OIBDA margin compared with the January–March 2004 period, standing at 49.1%.

By geographic areas, Spain accounted for 63.1% of the Telefónica Group's consolidated OIBDA at March 31 2005, 5.6 percentage points less than one year ago due to higher contribution from Latin America (33.6% compared with 29.9% in March 2004) following the acquisition of assets from BellSouth. In this context, the increased contribution from Venezuela (3.1% vs. 0.03% in March 2004) must be noted. Moreover, contributions from Brazil in March 2005 decreased by 1.1 percentage point to stand at 17.7%.

Depreciation and amortization recorded a 6.5% year–on–year growth to stand at 1,526.4 million euros at the end of the first quarter of 2005, primarily as a result of the depreciation and amortization of the cellular business (+41.4%) associated to changes in the consolidation perimeter.

Consolidated operating income (OI)

amounted to 1,888.3 million euros during the first three months of the year, 25.5% more than in the same period of the previous year. Changes in the consolidation perimeter[2] and in exchange rates added 4.1 percentage points and 0.1 percentage points of growth, respectively.

Financial expenses

amounted to 317.7 million euros in the first quarter, including a positive result from forex of 62.8 million euros. As such, the effective cost measured as a percentage of total average debt for the quarter was 4.6% (or 5.5% excluding the positive income from forex). Total financial expenses dropped by 1.2% with regard to those of the first three months of 2004 estimated under IFRS, as the lower costs mostly offset the 17.5% increase in average total debt.

The **net free cash flow after CapEx** generated by the Telefónica Group amounted to 1,164.8 million euros for the first quarter of the year. Of this, 906.3 million euros were devoted to financial investments (net of divestiture) and 224.0 million euros for net payment for dividends and treasury stock. Including the sum of 39.3 million euros received from the sale of real estate, the free cash flow after dividends available to reduce financial debt stood at 73.8 million euros. Free cash flow stood at 1,355.7 million euros (according to the criteria used at the 3rd and 4th Investor Conferences) prior to payments made to amortize commitments related to headcount reduction plan (and taking into account the almost absence of dividend payments to minority interests during the first quarter).

The Telefónica Group's **net financial debt** at the end of March 2005 stood at 23,948.1 million euros. Most of the increase in debt was due to the appreciation of the dollar and the Latin American currencies against the euro throughout the first quarter, which accounted for 292.4 million euros of the increase in debt. Total debt (including guarantees and labour commitments for a total of 3,648.2 million euros) amounted to 27,596.3 million euros, equivalent to 2.0 times OIBDA annualized for the quarter.

The **negative results of associated companies** recorded a year–on–year reduction of 69.1% in comparison to the first quarter of 2004 to total –9.1 million euros (–29.5 million euros a year before). The lower losses related to Sogecable, IPSE 2000, Medi Telecom and Lycos Europe and the higher stake in Portugal Telecom explain this performance.

The **tax provision** for the first three months of the year reached 579.9 million euros, even though the cash outflow will be more reduced for the Telefónica Group to the extent that negative tax bases obtained in previous years are offset.

Results attributed to minority interest

deducted 69.4 million euros from the Group´s net income for the January–March 2005 period in comparison with the –45.6 million euros of the same period of 2004. The 52.2% growth in this item is justified by the lower losses at Terra Networks Group.

Due to the performance of the above items, **net income** amounted to 912.2 million euros for the first three months of the year, a 35.9% year–on–year growth.

The Telefónica Group's **CapEx** for the first quarter of the year amounted to 744.0 million euros, registering a 20.1% year–on–year increase, due to the higher investments made by the cellular business (+39.7%) and by the Telefónica Latinoamérica Group (+24.3%). In the cellular business, the rise in CapEx was due to the investment in BellSouth operators and the growth in Brazil and Chile. In the Telefónica Latinoamérica Group, higher investments were due to broadband development. Assuming constant exchange rates and excluding variations in the consolidation perimeter[3], CapEx would have grown by 13.8% year–on–year. However, it should be noted that there is a strong cyclical component to the investment, so this performance cannot be extrapolated for the full year.

3 Includes the consolidation of the Latin American assets acquired to BellSouth in Argentina, Colombia, Chile, Ecuador, Guatemala, Nicaragua, Panama, Peru, Uruguay and Venezuela in the cellular business and Atrium in the Telefónica Latinoamérica Group from 1 January 2004.

TELEFÓNICA GROUP

Financial Data

TELEFÓNICA GROUP

SELECTED FINANCIAL DATA

Unaudited figures (Euros in millions)

	January – March		
	2005	2004	% Chg
Revenues	8,278.8	7,093.4	16.7
Operating income before D&A (OIBDA)	3,414.7	2,937.6	16.2
Operating income (OI)	1,888.3	1,504.7	25.5
Income before taxes	1,561.4	1,153.5	35.4
Net income	912.2	671.4	35.9
Net income per share	0.184	0.135	35.9

Average number of shares (millions)	4,955.9	4,955.9	0.0

TELEFÓNICA GROUP

RESULTS BY COMPANIES

Unaudited figures (Euros in millions)

	REVENUES			OIBDA			OPERATING INCOME		
	Mar 2005	Mar 2004	% Chg	Mar 2005	Mar 2004	% Chg	Mar 2005	Mar 2004	% Chg
Telefónica de España Group	2,842.0	2,680.7	6.0	1,191.9	1,065.0	11.9	622.4	435.7	42.9
Telefónica Latinoamérica Group	1,735.2	1,659.7	4.5	852.3	723.0	17.9	449.6	326.4	37.7
Cellular Business	3,675.9	2,730.0	34.6	1,317.9	1,129.0	16.7	790.3	755.8	4.6
Directories Business	96.2	79.7	20.7	23.9	19.0	26.0	18.1	13.8	31.3
Terra Networks Group	113.0	105.4	7.2	14.3	1.5	n.s.	(5.4)	(22.9)	(76.3)
Atento Group	178.7	134.4	32.9	22.6	19.2	17.8	15.5	9.8	57.8
Content & Media Business	266.5	273.8	(2.6)	45.4	43.7	3.9	38.1	37.3	2.1
Other companies (*)	187.3	189.5	(1.1)	(47.5)	(76.4)	(37.8)	(65.0)	(92.9)	(30.0)
Eliminations	(816.0)	(759.9)	7.4	(6.1)	13.7	c.s.	24.7	41.7	(40.8)
Group Total	8,278.8	7,093.4	16.7	3,414.7	2,937.6	16.2	1,888.3	1,504.7	25.5

(*) OIBDA and Operating Income exclude the variation in investment valuation allowances accounted for by Telefónica S.A. parent company and that are eliminated in consolidation.

TELEFÓNICA GROUP

CAPEX BY BUSINESS LINES

Unaudited figures (Euros in millions)

	January – March		
	2005	2004	% Chg
Telefónica de España Group	248.5	262.6	(5.4)
Telefónica Latinoamérica Group	127.5	102.6	24.3

Cellular Business	311.4	223.0	39.7
Directories Business	2.4	3.6	(31.6)
Terra Networks Group	2.5	5.1	(50.1)
Atento Group	4.4	2.9	51.5
Content & Media Business	8.8	5.6	58.0
Other companies & Eliminations	38.4	14.2	170.0
Group Total	744.0	619.5	20.1

TELEFÓNICA GROUP

CONSOLIDATED INCOME STATEMENT

Unaudited figures (Euros in millions)

	January – March		
	2005	2004	% Chg
Revenues	8,278.8	7,093.4	16.7
Internal expenditure capitalized in fixed assets (1)	87.4	88.3	(1.0)
Operating expenses	(4,993.6)	(4,225.4)	18.2
Supplies	(2,114.5)	(1,689.1)	25.2
Personnel expenses	(1,298.1)	(1,271.6)	2.1
Subcontracts	(1,420.4)	(1,138.5)	24.8
Taxes	(160.5)	(126.2)	27.2
Other net operating income (expense)	(74.7)	(42.8)	74.7
Gain (loss) on sale of fixed assets	120.6	26.6	n.s.
Impairment of goodwill and other assets	(3.8)	(2.5)	56.2
Operating income before D&A (OIBDA)	3,414.7	2,937.6	16.2
Depreciation and amortization	(1,526.4)	(1,432.9)	6.5
Operating income (OI)	1,888.3	1,504.7	25.5
Profit from associated companies	(9.1)	(29.5)	(69.1)
Net financial income (expense)	(317.7)	(321.6)	(1.2)
Income before taxes	1,561.4	1,153.5	35.4
Income taxes	(579.9)	(406.6)	42.6
Income from continuing operations	981.6	746.9	31.4
Income (Loss) from discontinued operations	0.1	(29.9)	c.s.

Minority interest	(69.4)	(45.6)	52.2
Net income	912.2	671.4	35.9
Average number of shares (millions)	4,955.9	4,955.9	0.0
Net income per share	0.184	0.135	35.9

(1) Including work in process.

TELEFÓNICA GROUP

CONSOLIDATED BALANCE SHEET

Unaudited figures (Euros in millions)

	March		
	2005	2004	% Chg
Non–current assets	49,725.7	46,999.4	5.8
Intangible assets	5,914.9	4,848.7	22.0
Goodwill	6,656.4	4,131.3	61.1
Property, plant and equipment and Investment property	23,416.2	24,016.6	(2.5)
Long–term financial assets and other non–current assets	4,959.4	4,729.8	4.9
Deferred tax assets	8,778.8	9,272.9	(5.3)
Current assets	11,362.3	10,978.1	3.5
Inventories	718.1	437.0	64.3
Trade and other receivables	6,311.5	5,555.4	13.6
Current tax receivable	1,208.9	861.6	40.3
Short–term financial investments	2,063.5	3,550.0	(41.9)
Cash and cash equivalents	1,048.8	571.2	83.6
Non–current assets classified as held for sale	11.4	2.8	304.1
Total Assets = Total Equity and Liabilities	61,088.0	57,977.5	5.4
Equity	13,000.2	14,275.8	(8.9)
Equity attributable to equity holders of the parent	11,313.5	12,089.6	(6.4)
Minority interest	1,686.7	2,186.2	(22.8)
Non–current liabilities	28,800.0	30,381.2	(5.2)
Long–term financial debt	18,113.2	19,781.9	(8.4)
Deferred tax liabilities	1,871.5	1,429.7	30.9
Long–term provisions	7,687.9	7,836.5	(1.9)
Other long–term liabilities	1,127.5	1,333.1	(15.4)
Current liabilities	19,287.7	13,320.4	44.8

Short–term financial debt	9,455.1	5,450.6	73.5
Trade and other payables	5,488.4	4,909.2	11.8
Current tax payable	1,997.6	1,250.2	59.8
Short–term provisions and other liabilities	2,341.2	1,710.5	36.9
Liabilities associated with non–current assets classified as held for sale	5.4	0.0	N.S.
Financial Data			
Net Financial Debt (1)	23,948.1		

(1) Net Financial Debt = Long term financial debt + Other long term liabilities + Short term financial debt – Short term financial investments – Cash and cash equivalents – Long term financial assets and other non–current assets.

TELEFÓNICA GROUP

FREE CASH FLOW AND CHANGE IN DEBT

Unaudited figures (Euros in millions)

		January – March		
		2005	2004	% Chg
I	Cash flows from operations	2,695.2	2,557.8	5.4
II	Net interest payment (1)	(400.5)	(382.8)	
III	Payment for income tax	(192.9)	(32.5)	
A=I+II+III	Net cash provided by operating activities	2,101.8	2,142.5	(1.9)
B	Payment for investment in fixed and intangible assets	(937.0)	(826.8)	
C=A+B	Net free cash flow after CAPEX	1,164.8	1,315.7	(11.5)
D	Net Cash received from sale of Real Estate	39.3	143.2	
E	Net payment for financial investment	(906.3)	(64.5)	
F	Net payment for dividends and treasury stock (2)	(224.0)	(304.5)	
G=C+D+E+F	Free cash flow after dividends	73.8	1,089.9	(93.2)
H	Effects of exchange rate changes on net financial debt			