

Final Terms dated 29 October 2009

TELEFÓNICA EMISIONES S.A.U.
Issue of Euro 1,750,000,000 4.693 per cent. Instruments due 11 November 2019
Guaranteed by TELEFÓNICA, S.A.
under the EUR 25,000,000,000 Debt Issuance Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth on pages 20 to 48, inclusive, in the base prospectus dated 3 July 2009 and the supplemental base prospectus dated 23 October 2009 which together constitute a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Instruments and must be read in conjunction with such Base Prospectus, as so supplemented.

Full information on the Issuer, the Guarantor and the offer of the Instruments described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus, as so supplemented. The Base Prospectus and the supplemental Base Prospectus are available for viewing at www.telefonica.es and copies may be obtained from Gran Vía, 28, 28013 Madrid (being the registered office of the Issuer), at the offices of the Bank of New York Mellon, London Branch at One Canada Square, London E14 5AL and at the offices of the Bank of New York Mellon (Luxembourg), S.A. at 1A Hoehenhof, L-1726, Senningerberg, Grand Duchy of Luxembourg.

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| 1. | (i) | Issuer: | Telefónica Emisiones S.A.U. |
| | (ii) | Guarantor: | Telefónica, S.A. |
| 2. | (i) | Series Number: | 20 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Euro (" EUR ") |
| 4. | | Aggregate Nominal Amount: | EUR 1,750,000,000 |
| | (i) | Series: | EUR 1,750,000,000 |
| | (ii) | Tranche: | EUR 1,750,000,000 |
| 5. | | Issue Price: | 100 per cent. of the Aggregate Nominal Amount |

6. (i) Specified Denominations: EUR 50,000 and integral multiples of EUR 50,000 thereafter
- (ii) Calculation Amount: EUR 50,000
7. (i) Issue Date: 10 November 2009
- (ii) Interest Commencement Issue Date
Date:
8. Maturity Date: 11 November 2019
9. Interest Basis: 4.693 per cent. Fixed Rate
(further particulars specified below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: Not Applicable
13. (i) Status of the Instruments: Senior Unsecured Instruments
- (ii) Status of the Guarantee: Senior
14. Method of distribution: Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Instrument** Applicable
Provisions
- (i) Rate of Interest: 4.693 per cent. per annum payable annually in arrear
- (ii) Interest Payment Date(s): 11 November in each year from and including 11 November 2010 to and including the Maturity Date. There will be a long first coupon from (and including) the Issue Date to the Interest Payment Date falling on 11 November 2010
- (iii) Fixed Coupon Amount: EUR 2,346.50 per Calculation Amount payable on each Interest Payment Date except the first Interest Payment Date falling on 11 November 2010
- (iv) Broken Amount: EUR 2,352.93 per Calculation Amount, payable

on the Interest Payment Date falling on 11 November 2010

- (v) Day Count Fraction: Actual/Actual (ICMA)
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Instruments: Not Applicable
16. **Floating Rate Instrument Provisions** Not Applicable
17. **Index-Linked Instrument/other linked interest Instrument Provisions** Interest variable-linked Instrument Not Applicable
18. **Dual Currency Instrument Provisions** Not Applicable

PROVISIONS RELATING TO REDEMPTION

19. **Call Option** Not Applicable
20. **Put Option** Not Applicable
21. **Final Redemption Amount of each Instrument** EUR 50,000 per Calculation Amount
22. **Early Redemption Amount** Not Applicable

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

23. **Form of Instruments:** **Bearer Instruments:**
- Temporary Global Instrument exchangeable for a Permanent Global Instrument which is exchangeable for Definitive Instruments in the limited circumstances specified in the

Permanent Global Instrument

24. New Global Instrument: Yes
25. Additional Financial Centre(s) or other special provisions relating to payment dates: Not Applicable
26. Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): No
27. Details relating to Partly Paid Instruments: amount of each payment comprising the Issue Price and date on which each payment is to be made: Not Applicable
28. Details relating to Instalment Instruments: amount of each instalment, date on which each payment is to be made: Not Applicable
29. Redenomination, renominalisation and reconventioning provisions: Not Applicable
30. Consolidation provisions: The provisions in Condition 15 (*Further Issues*) apply
31. Other final terms: Not Applicable

DISTRIBUTION

32. (i) If syndicated, names of Managers: **Lead Managers**
BNP Paribas
CALYON
Credit Suisse Securities (Europe) Limited
The Royal Bank of Scotland plc
Co-Managers
Banco Español de Crédito, S.A.
Bayerische Landesbank
Caja de Ahorros y Monte de Piedad de Madrid
Lloyds TSB Bank plc
Mitsubishi UFJ Securities International plc

(ii) Stabilising Manager(s) (if BNP Paribas
any):

33. If non-syndicated, name of Not Applicable
Dealer:

34. U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D

35. Additional selling restrictions: Not Applicable

36. Commissioner: Javier Campillo Díaz

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Regulated Market of the London Stock Exchange of the Instruments described herein pursuant to the EUR 25,000,000,000 Debt Issuance Programme of Telefónica Emisiones S.A.U.

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Signed on behalf of Telefónica Emisiones S.A.U.:

By:
Duly authorised

Signed on behalf of Telefónica, S.A.:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Admission to trading Application will be made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from 10 November 2009.
- (ii) Estimate of total expenses GBP 3,650
related to admission to
trading:

2. RATINGS

Ratings: The Instruments to be issued have been rated:

 S & P: A- (Stable)

 Moody's: Baa1 (Positive)

 Fitch: A- (Stable)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.

4. REASONS FOR THE OFFER

Reasons for the offer The net proceeds of the issue of the Instruments will be applied by the Issuer to meet part of its general financing requirements.

5. YIELD

Indication of yield: 4.693 per cent. per annum

 The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. OPERATIONAL INFORMATION

ISIN Code: XS0462999573

Common Code: 046299957

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| Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): | Not Applicable |
| Delivery: | Delivery against payment |
| Names and addresses of initial Paying Agent(s): | The Bank of New York Mellon, acting through its London branch |
| Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| Intended to be held in a manner which would allow Eurosystem eligibility: | <p>Yes</p> <p>Instrument that the designation "yes" simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met</p> |