

## Final Terms dated 1 March 2012

**TELEFÓNICA EMISIONES S.A.U.**  
**Issue of £700,000,000 5.597% Instruments due March 2020**  
**Guaranteed by TELEFÓNICA, S.A.**  
**under the EUR 40,000,000,000 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 22 to 51, inclusive, of the Base Prospectus dated 20 June 2011 and the supplemental Base Prospectus dated 28 July 2011, 11 November 2011, 3 January 2012 and 24 February 2012 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 each supplemental Base Prospectus are available for viewing at [www.telefonica.es](http://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 (Luxembourg), S.A. at Vertigo Building – Polaris, 2-4 rue Eugène Ruppert, L-2453 Luxembourg.

- |    |                       |                         |                             |
|----|-----------------------|-------------------------|-----------------------------|
| 1. | (i)                   | Issuer:                 | Telefónica Emisiones S.A.U. |
|    | (ii)                  | Guarantor:              | Telefónica, S.A.            |
| 2. | (i)                   | Series Number:          | 30                          |
|    | (ii)                  | Tranche Number:         | 1                           |
| 3. | Specified Currencies: | Currency or Currencies: | Sterling ("£")              |

- |     |   |   |
|-----|---|---|
| 4.  | Aggregate Nominal Amount:                       | £700,000,000  |
|     | (i) Series:                                     | £700,000,000  |
|     | (ii) Tranche:                                   | £700,000,000  |
| 5.  | Issue Price:                                    | 100 per cent. of the Aggregate Nominal Amount                           |
| 6.  | (i) Specified Denominations:                    | £100,000 and integral multiples of £100,000 thereafter                  |
|     | (ii) Calculation Amount:                        | £100,000  |
| 7.  | (i) Issue Date:                                 | 12 March 2012   |
|     | (ii) Interest Commencement Date:                | Issue Date  |
| 8.  | Maturity Date:                                  | 12 March 2020   |
| 9.  | Interest Basis:                                 | 5.597 per cent. Fixed Rate<br><br>(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  |
|     | (ii) Status of the Guarantee:                   | Senior  |
| 14. | Method of distribution:                         | Syndicated  |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |     |   |  |
|-----|---|--|
| 15. | <b>Fixed Rate Instrument Provisions</b> | Applicable   |
|     | (i) Rate of Interest:                   | 5.597 per cent. per annum payable annually in arrear                                       |
|     | (ii) Interest Payment Date(s):          | 12 March in each year from and including 12 March 2013 to and including the Maturity Date. |
|     | (iii) Fixed Coupon Amount(s):           | £5,597 per Calculation Amount  |

- (iv) Broken Amount(s): Not applicable
  - (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 variable-linked interest Instrument Provisions** 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** £100,000 per Calculation Amount.
- 22. **Early Redemption Amount** Not applicable

#### 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:** No
25. **Additional Financial Centre(s) or other special provisions relating to payment dates:** London and TARGET
26. **Talons for future Coupons or** No

Receipts to be attached to Definitive Instruments (and dates on which such Talons mature):

- |     |  |  |
|-----|--|--|
| 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, renominatisation and reconventioning provisions:   | Not applicable   |
| 30. | Consolidation provisions:  | The provisions in Condition 15 ( <i>Further Issues</i> ) apply |
| 31. | Other final terms:   | Not applicable   |

## **DISTRIBUTION**

- |     |                                       |   |
|-----|---------------------------------------|---|
| 32. | (i) If syndicated, names of Managers: | <b>Joint Lead Managers</b><br>HSBC Bank plc<br>Lloyds TSB Bank plc<br>UBS Limited |
|     | (ii) Stabilising Manager(s) (if any): | Not applicable  |
| 33. | If non-syndicated, name of Dealer:    | Not applicable  |
| 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 40,000,000,000 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 12 March 2012.
- (ii) Estimate of total expenses              £4,000  
related to admission to  
trading:

### **2. RATINGS**

Ratings:    The Instruments to be issued have been rated:

S & P: BBB+ (Negative)

Moody's: Baa1 (Negative)

Fitch: BBB+ (Stable)

These credit ratings have been issued by Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service España, S.A. and Fitch Ratings Limited, each of which are established in the European Union and registered under Regulation (EU) No. 1060/2009.

### **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, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

The net proceeds of the issue of each Tranche of Instruments will be applied by the Issuer to meet its general financing requirements.

5. **YIELD**

Indication of yield: 5.597 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. **PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Not applicable

7. **PERFORMANCE OF RATE[S] OF EXCHANGE**

Not applicable

8. **OPERATIONAL INFORMATION**

ISIN Code: XS0753149144

Common Code: 075314914

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

Names and addresses of additional Paying Agent(s) (if any): Not applicable

Intended to be held in a manner which would allow Eurosystem eligibility: No