

**Final Terms dated 15 March 2013**

**TELEFÓNICA EMISIONES, S.A.U.**

**Issue of EUR 1,000,000,000 3.961 per cent. Instruments due March 2021  
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 20 to 49, inclusive, of the base prospectus dated 12 June 2012 and the supplemental base prospectuses dated 28 June 2012, 21 August 2012, 7 November 2012, 31 January 2013 and 4 March 2013 which together constitute a base prospectus (the "**Base Prospectus**") for the purposes of 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 Prospectuses 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 Mellon (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:	38
	(ii)	Tranche Number:	1
3.		Specified Currency or Currencies:	Euro (" <b>EUR</b> ")
4.		Aggregate Nominal Amount:	
	(i)	Series:	EUR 1,000,000,000
	(ii)	Tranche:	EUR 1,000,000,000
5.		Issue Price:	100 per cent. of the Aggregate Nominal Amount
6.	(i)	Specified Denominations:	EUR 100,000 and integral multiples of EUR 100,000 thereafter
	(ii)	Calculation Amount:	EUR 100,000
7.	(i)	Issue Date:	27 March 2013
	(ii)	Interest Commencement Date:	Issue Date
8.		Maturity Date:	26 March 2021
9.		Interest Basis:	3.961 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
	(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:	3.961 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	26 March in each year from and including 26 March 2014 to and including the Maturity Date. There will be a short first Interest Period from, and including, the Interest Commencement Date to, but excluding, 26 March 2014.
	(iii) Fixed Coupon Amount(s):	EUR 3,961.00 per Calculation Amount
	(iv) Broken Amount(s):	EUR 3,950.15 per Calculation Amount
	(v) Day Count Fraction:	Actual/Actual (ICMA)
	(vi) Other terms relating to the method of calculating interest for Fixed Rate Instruments:	Not Applicable
16.	<b>Floating Rate Instrument Provisions</b>	Not Applicable
17.	<b>Index-Linked Interest Instrument/ other variable-linked interest Instrument Provisions</b>	Not Applicable
18.	<b>Dual Currency Instrument Provisions</b>	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

19.	<b>Call Option</b>	Not Applicable
20.	<b>Put Option</b>	Not Applicable
21.	<b>Final Redemption Amount of each Instrument</b>	EUR 100,000 per Calculation Amount
22.	<b>Early Redemption Amount</b>	
	Early Redemption Amount(s) per Calculation Amount (if required or if different from that set out in the Conditions):	Not Applicable

#### **GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS**

23.	<b>Form of Instruments:</b>	<b>Bearer Instruments:</b>
		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. | Relevant 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 ( <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>Banca IMI S.p.A.<br>Banco Bilbao Vizcaya Argentaria, S.A.<br>Barclays Bank PLC<br>Citigroup Global Markets Limited<br>Lloyds TSB Bank plc<br>Mitsubishi UFJ Securities International plc |
|     | (ii) Stabilising Manager(s) (if any): | Barclays Bank PLC  |
| 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 Diaz   |

#### **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 27 March 2013.
- (ii) Estimate of total expenses related to admission to trading: GBP 4,000

### 2. RATINGS

Ratings: The Instruments to be issued have been rated:  
S & P: BBB (Negative Outlook)  
Moody's: Baa2 (Negative Outlook)  
Fitch: BBB+ (Negative Outlook)

Each of Standard & Poor's Credit Market Services Limited ("**S&P**"), Moody's Investors Service España, S.A. ("**Moody's**") and Fitch Ratings Limited ("**Fitch**") are established in the EU and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**").

### 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

Not Applicable

### 5. YIELD

Indication of yield: 3.961 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 RATES OF EXCHANGE

Not Applicable

### 8. OPERATIONAL INFORMATION

ISIN Code: XS0907289978

Common Code: 090728997

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme Not Applicable

and the relevant identification number(s):

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: Yes  
Note 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 recognised 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.