FINAL TERMS

MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each defined in Directive 2014/65/EU (as amended, “MiFID II”); and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Final Terms dated 9 November 2018

TELEFÓNICA EMISIONES, S.A.U.

Issue of EUR 67,000,000 Floating Rate Instruments due July 2022
Unconditionally and Irrevocably Guaranteed by TELEFÓNICA, S.A.
under the EUR 40,000,000,000 Programme for the Issuance of Debt Instruments

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the 2015 Conditions (the “Conditions”) incorporated by reference in the Base Prospectus dated 19 June 2018. This document constitutes the Final Terms relating to the issue of Instruments described herein for the purposes of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 19 June 2018 and supplements to it dated 26 July 2018 and 31 October 2018 which together constitute a base prospectus (the “Base Prospectus”) for the purposes the Prospectus Directive, save in respect of the Conditions which are set forth in the base prospectus dated 5 June 2015 and are incorporated by reference in the Base Prospectus.


Full information on the Issuer, the Guarantor and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 19 June 2018 and the supplements to it dated 26 July 2018 and 31 October 2018. The Base Prospectus and the supplements to it are available for viewing at www.telefonica.com 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 SA/NV, Luxembourg Branch 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: 46
   (ii) Tranche Number: 1
   (iii) Date on which the Instruments become fungible: Not Applicable

3. Specified Currency or Currencies: Euro ("EUR")
4. Aggregate Nominal Amount:
   (i) Series: EUR 67,000,000
   (ii) Tranche: EUR 67,000,000
5. Issue Price: 99.65 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: 21 July 2015
   (ii) Interest Commencement Date: Issue Date
8. Maturity Date: Interest Payment Date falling in July 2022
9. Interest Basis: 6 Month EURIBOR + 0.83 per cent. Per annum Floating Rate
   (See paragraph 15 below)
10. Redemption/Payment Basis: Redemption at par
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Put/Call Options: Put Option: Not Applicable
    Call Option: Not Applicable
13. (i) Status of the Instruments: Senior
    (ii) Status of the Guarantee: Senior
    (iii) Date Board approval for issuance of Instruments obtained: Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE
14. Fixed Rate Instrument Provisions Not Applicable
15. Floating Rate Instrument Provisions Applicable
   (i) Interest Period: The period beginning on and including the Interest Commencement Date and ending on, but excluding, the First Interest Payment Date, and each successive period thereafter beginning on and including each Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date.
   (ii) Specified Period: Not Applicable
   (iii) Specified Interest Payment Dates: Interest shall be payable semi-annually in arrear on 21 January and 21 July in each year commencing on 21 January 2016, up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention set out in (v) below.
   (iv) First Interest Payment Date: 21 January 2016
(v) Business Day Convention: Modified Following Business Day Convention
(vi) Additional Business Centre: Not Applicable
(vii) Manner in which the Rate of Interest is/are to be determined: Screen Rate Determination
(viii) Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the Issue and Paying Agent): Not Applicable
(ix) Screen Rate Determination: Applicable
  • Reference Rate: EURIBOR
  • Interest Determination Date: The second Business Day prior to the first day of each Interest Period
  • Relevant Screen Page: Reuters Screen EURIBOR01 page
  • Relevant Time: 11:00 am Brussels time
  • Relevant Financial Centre: TARGET2
(x) ISDA Determination: Not Applicable
(xi) Linear Interpolation: Not Applicable
(xii) Margin: + 0.83 per cent. per annum
(xiii) Minimum Rate of Interest: 0.00 per cent. per annum
(xiv) Maximum Rate of Interest: Not Applicable
(xv) Day Count Fraction: Actual/360

PROVISIONS RELATING TO REDEMPTION

16. Call Option Not Applicable
17. Put Option Not Applicable
18. Final Redemption Amount of each Instrument EUR 100,000 per Calculation Amount
19. Early Redemption Amount
   Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: EUR 100,000 per Calculation Amount
20. Early Termination Amount EUR 100,000 per Calculation Amount
21. Substantial Purchase Event Not Applicable
22. Residual Maturity Call Option 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:**

   - 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 Instalment Instruments: amount of each instalment, date on which each payment is to be made:**

   - Not Applicable

28. **Redenomination, renominalisation and reconventioning provisions:**

   - Not Applicable

29. **Instruments where the Specified Currency is Renminbi: Party responsible for calculating the Spot Rate:**

   - Not Applicable

30. **Commissioner:**

   - Not Applicable
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 has been made by the issuer (or on its behalf) for the instruments to be admitted to trading on Euronext Dublin's Main Securities Market with effect from the business day following date of Final Terms.

   (ii) Estimate of total expenses related to admission to trading:
   EUR 1,000

2. RATINGS
   
   Ratings:
   The Instruments to be issued have been rated:
   - Standard & Poor’s Credit Market Services France SAS: "S&P"): BBB
   - Moody’s Investors Service España, S.A. ("Moody’s"): Baa2
   - Fitch Ratings Limited: ("Fitch"): BBB+


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
   
   Not Applicable

5. YIELD
   
   Indication of yield:
   Not Applicable

6. OPERATIONAL INFORMATION
   
   ISIN: XS1262975995
   Common Code: 126297599
   CFI: Not Applicable
   FISN: Not Applicable

   Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):
   Not Applicable

   Delivery:
   Delivery against payment

   Names and addresses of initial Paying Agent:
   The Bank of New York Mellon
   London Branch
   One Canada Square
   London E14 5AL
   United Kingdom
Names and addresses of additional Paying Agent(s) (if any):
Not Applicable

7. DISTRIBUTION

(i) US Selling Restrictions Reg. S Compliance Category 2 / TEFRA D

(ii) Prohibition of Sales to EEA Retail Investors Not Applicable