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 21 November 2018

TELEFÓNICA EMISIONES, S.A.U.

Issue of £500,000,000 5.375 per cent. Instruments due 2026

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 2005 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 the supplements to it dated 26 July 2018, 31 October 2018 and 14 November 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 8 July 2005 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, 31 October 2018 and 14 November 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: 4
   (ii) Tranche Number: 1
   (iii) Date on which the Instruments become fungible: Not Applicable

3. Specified Currency or Currencies: Pounds Sterling ("£")
4. Aggregate Nominal Amount:
   (i) Series: £500,000,000
   (ii) Tranche: £500,000,000

5. Issue Price: 99.934 per cent. of the Aggregate Principal Amount

6. (i) Specified Denominations: £50,000. For so long as the Instruments are represented by a global Instrument and Euroclear and Clearstream, Luxembourg so permit, the Instruments shall be tradeable in minimum principal amounts of £50,000 and integral multiples of £1,000.
   (ii) Calculation Amount: £1,000

7. (i) Issue Date: 2 February 2006
   (ii) Interest Commencement Date: Issue Date

8. Maturity Date: 2 February 2026

9. Interest Basis: 5.375 per cent. Fixed Rate
   (See paragraph 14 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

   (i) Rate of Interest: 5.375 per cent. per annum payable annually in arrear
   (ii) Interest Payment Dates: 2 February in each year
   (iii) Fixed Coupon Amount(s): The amount of interest payable on each Interest Payment Date in respect of each Instrument of £50,000 Specified Denomination shall be £2,687.50
   (iv) Broken Amount(s): Not applicable
   (v) Day Count Fraction: Actual/Actual (ICMA) which shall have the meaning given to "Actual/Actual (ISMA)" in the Conditions
15. **Floating Rate Instrument Provisions**
   Not applicable

### PROVISIONS RELATING TO REDEMPTION

16. **Call Option**
   Not Applicable

17. **Put Option**
   Not Applicable

18. **Final Redemption Amount of each Instrument**
   £50,000 per Instrument of £50,000 Specified Denomination

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:
   The Outstanding Principal Amount

20. **Early Termination Amount**
   The Outstanding Principal 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:**
   Not Applicable

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:**
   Eduardo Álvarez Gómez
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: BBB+
   - Moody’s Investors Service España, S.A.: Baal
   - Fitch Ratings Limited: A-

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
   As described in "Use of Proceeds" in the Base Prospectus

5. YIELD
   Indication of yield: 5.380 per cent
   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: XS0241945582
   Common Code: 024194558
   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(s):
   J.P. Morgan Bank Luxembourg S.A
   European Bank & Business Centre
   6, route de Tre'ves
   L-2633 Senningerberg
Names and addresses of additional Paying Agent(s) (if any): Not Applicable

7. DISTRIBUTION

(i) US Selling Restrictions TEFRA D
(ii) Prohibition of Sales to EEA Retail Investors Not Applicable