

FINAL TERMS

17 January 2007

Series Number:9

Tranche Number: 1

TELEFÓNICA EMISIONES S.A.U.

(incorporated with limited liability in the Kingdom of Spain)

Programme for the Issuance of Debt Instruments

unconditionally and irrevocably guaranteed

by

TELEFÓNICA, S.A.

Issue of

EUR 55,000,000

Floating Rate Instruments Due December 2021

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 5 July 2006 and the supplemental base prospectus dated 22 September 2006 and a supplemental base prospectus dated 5 December 2006 which together constitute a 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 and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and each supplemental base prospectus are available for viewing on the website 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 J.P. Morgan Chase Bank N.A., London Branch at Trinity Tower, 9 Thomas More Street, London E1W 1YT and at the offices of J.P. Morgan Bank Luxembourg S.A. at 6, route de Trèves, L-2633, Senningerberg, Grand Duchy of Luxembourg.

1. Issuer: Telefónica Emisiones S.A.U.

2. Guarantor Telefónica, S.A.

DISTRIBUTION

3. Relevant Dealer/Lead Manager: Caja de Ahorros y Pensiones de Barcelona (“la Caixa”)

4. If Syndicated, names of Managers: Not Applicable

5. Other Dealers/Managers (if any): Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

6. Status of Instruments: Unsubordinated

7. Specified Currency or Currencies:(Condition 1.10) Euro (“EUR”)

8. Aggregate Principal Amount of Instrument admitted to trading: EUR 55,000,000

(i) Series EUR 55,000,000

(ii) Tranche EUR 55,000,000

9. If fungible with existing Series: Not Applicable

10. Issue Date 31 January 2007

11. Issue Price: 100 per cent. of the Aggregate Principal Amount

12. Redemption/Payment Basis: Redemption at par

13. Specified Denominations: EUR 50,000

14. Commission Payable: 0.11 per cent. flat

15. (a) Form of Instruments: Bearer. 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

Bearer Instruments
exchangeable for Registered
Instruments: Not Applicable

16. If issued in Bearer form:

(a) Issuer to bear cost and
expense of exchange
of Permanent Global
Instrument for
Definitive
Instruments: Yes

(b) Coupons to be
attached to Definitive
Instruments:
(Condition 1.06) Yes

(c) Talons for future
Coupons to be
attached to Definitive
Instruments:
(Condition 1.6) No

17. Partly Paid Instruments:
(Condition 1.11) Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

18. Interest:
(Condition 5) Interest bearing

(a) If Interest bearing: Applicable

(i) Interest Rate: Floating Rate 6 months EURIBOR plus 0.83 per cent.
per annum payable semi-annually. Relevant Screen
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(ii) Interest Payment Dates (or if the
Applicable Business
Day Convention is the 30 June and 30 December in each year from (and
including) 30 June 2007 to (and including) the Maturity
Date. There will be a short first Interest Period from
(and including) 31 January 2007 to (but excluding) 30

- FRN Convention specify number of calendar months): June 2007, in accordance with the Modified Following Business Day Convention.
- (iii) Interest Period End Dates (or if the Applicable Business Day Convention is the FRN Convention specify number of calendar months): Interest Period End Dates will correspond with Interest Payment Dates
- (iv) Applicable Business Day Convention: Modified Following Business Day Convention will apply with adjustment.
- (v) Definition of Business Day: As defined in Condition 5.09
- (vi) Day Count Fraction: Actual/360
- (vii) interest Commencement Date: Issue Date
- (viii) Relevant Time: Not Applicable
- (ix) Minimum Interest Rate: Not Applicable
- (x) Maximum Interest Rate: Not Applicable
- (xi) Default Interest Rate: (Condition 5.02) Not Applicable
- (xii) Determination Dates: Second day on which the TARGET System is open prior to the start of each Interest Period
19. Calculation Agent: (Condition 5.04) JP Morgan Chase Bank, N.A.
20. Maturity Date: (Condition 6.01) 30 December 2021

21. Dates for payment of Instalment Amounts (Instalment Instruments): (Condition 6.01) Not Applicable
22. Maturity Redemption Amount: (Condition 6.01) Outstanding Principal Amount
23. Instalment Amounts: (Condition 6.01) Not Applicable

PROVISIONS RELATING TO REDEMPTION

24. Early Redemption for Taxation Reasons: (Condition 6.02)
- (a) Early Redemption Amount (Tax): Outstanding Principal Amount
- (b) Date after which changes in law, etc. entitle Issuer to redeem: the Issue Date
25. Optional Early Redemption (Call) (Condition 6.03): Not Applicable
26. Optional Early Redemption (Put) (Condition 6.06): Not Applicable
27. Final Redemption Amount of each Instrument⁴: EUR 50,000 per Instrument of EUR 50,000 specified denomination
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked: Not Applicable
28. Events of Default (Condition 7.01):
- (a) Early Termination Amount: Outstanding Principal Amount

Amount:

- | | | |
|--------------------------------|-------------------------------------------------------------|--------------------------------------------------------------------|
| | (b) Any additional (or modifications to) Events of Default: | Not Applicable |
| 29. | Payments:
(Condition 9) | |
| | (a) Unmatured Coupons missing upon Early Redemption: | Condition 9A.06 (i) applies. |
| | (b) Relevant Financial Centre Day:
(Condition 9C.03) | Not Applicable |
| 30. | Replacement of Instruments:
(Condition 12): | Condition 12 applies. |
| 31. | Notices:
(Condition 14) | Condition 14 applies. |
| 32. | Selling Restrictions: | |
| | United States of America: | The Instruments are subject to TEFRA D Rules. |
| | Other: | As described in the Base Prospectus under "Subscription and Sale". |
| 33. | Stabilising Manager(s): | Not Applicable |
| 34. | Commissioner | Eduardo Álvarez Gómez. |
| OPERATIONAL INFORMATION | | |
| 35. | ISIN: | XS0283060324 |
| 36. | Common Code: | 0283060324 |
| 37. | Common Depository: | JP Morgan Chase Bank, N.A. |

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|-----|-----------------------------------------------------------------------|---------------------------------------------------------------------|
| 38. | Any Clearing System other than Euroclear and Clearstream, Luxembourg: | Not Applicable |
| 39. | Settlement Procedures: | Customary medium term note settlement and payment procedures apply. |
| 40. | Other Relevant Terms and Conditions: | Not Applicable |
| 41. | Names and addresses of additional Paying Agents(s) (if any): | Not Applicable |

LISTING APPLICATION

These Final Terms comprise the details required to list the issue of Instruments described herein pursuant to the listing of the EUR15,000,000,000 Programme for the Issuance of Debt Instruments of Telefónica Emisiones S.A.U. guaranteed by Telefónica, S.A.

RESPONSIBILITY

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

Signed on behalf of the Issuer:

By:

Duly authorised

Signed on behalf of the Guarantor:

By:

Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (i) Listing: London
- (ii) Admission to trading: Application has been made for the Instruments to be admitted to trading on the Gilt-Edged and Fixed Interest Market of the London Stock Exchange with effect from the Issue Date.
- (iii) Estimate of total expenses related to admission to trading: Pounds Sterling 4,100.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

“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.”

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

Reasons for the offer: As described in “Use of Proceeds” in the Base Prospectus.