

TELEFONICA S A
Form 6-K
November 14, 2011

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FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934
For the month of November, 2011
Commission File Number: 001-09531
Telefónica, S.A.

(Translation of registrant's name into English)

Distrito C, Ronda de la Comunicación s/n,
28050 Madrid, Spain
3491-482 85 48

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Yes No

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Yes No

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934:

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): N/A

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Results January-September 2011

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Disclaimer This document contains statements that constitute forward looking statements about Telefónica Group (going forward, the Company or Telefónica) including financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations which refer to the intent, belief or current prospects of the customer base, estimates regarding, among others, future growth in the different business lines and the global business, market share, financial results and other aspects of the activity and situation relating to the Company. The forward-looking statements in this document can be identified, in some instances, by the use of words such as expects , anticipates , intends , believes , and similar language or the negative thereof or by forward-looking nature of discussions of strategy, plans or intentions. Such forward-looking statements, by their nature, are not guarantees of future performance and involve risks and uncertainties, and other important factors that could cause actual developments or results to differ from those expressed in our forward looking statements. These risks and uncertainties include those discussed or identified in fuller disclosure documents filed by Telefónica with the relevant Securities Markets Regulators, and in particular, with the Spanish Market Regulator. Analysts and investors, and any other person or entity that may need to take decisions, or prepare or release opinions about the securities issued by the Company, are cautioned not to place undue reliance on those forward looking statements, which speak only as of the date of this presentation. Except as required by applicable law, Telefónica undertakes no obligation to release publicly the results of any revisions to these forward looking statements which may be made to reflect events and circumstances after the date of this presentation, including, without limitation, changes in Telefónica s business or acquisition strategy or to reflect the occurrence of unanticipated events. Neither this presentation nor any of the information contained herein constitutes an offer of purchase, sale or exchange _____ , nor a request for an offer of purchase, sale or exchange of securities, or any advice or recommendation with respect to such securities. Finally, this document may contain summarized information or information that has not been audited. In this sense, this information is subject to, and must be read in conjunction with, all other publicly available information, including if it is necessary, any fuller disclosure document published by Telefónica. Telefónica, S.A 2 Investor Relations

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TELEFÓNICA 9M 11 Highlights: Steady revenue growth and solid margin Strong customer growth, good contract mobile net adds, booming MBB adoption Solid top line expansion: +5.4% driven by T. Latam (+18%) and mobile data (+18%) Robust profitability amid increased commercial activity: 36% OIBDA margin Leveraging our highly diversified asset mix: · 45% of revenues, OIBDA & OpCF came from T. Latam · Stabilising underlying trends in Spain · Strong momentum in Germany continues; challenging macro in other European markets Sound FCF generation: +11.6% New organization to bolster growth and improve efficiency 2011 guidance reiterated, shareholder remuneration policy confirmed

All figures refer to 9M 11 and y-o-y changes in underlying terms. 3 Telefónica, S.A FCF in reported terms Investor Relations

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TELEFÓNICA Financial Summary Jan-Sep Jan-Sep Jan-Sep Underly ing Underlying Reported 2011
 2011 2010 Change Change y-o-y Change in millions Reported Underlying Underlying y-o-y ex-MTRs
 y-o-y Revenues 46,672 46,672 44,280 +5.4% +6.8% +5.4% OIBDA 14,251 16,739 16,719 +0.1% +1.0%
 -30.0% OIBDA Margin 30.5% 35.9% 37.8% -1.9 p.p. -15.5 p.p. OI 6,696 10,029 10,766 -6.8% -50.8%
 Net income 2,733 5,437 6,079 -10.6% -69.1% EPS 0.60 1.20 1.34 -10.4% -69.0% OpCF 7,626 11,209
 11,867 -5.6% -41.9% (OIBDA-CapEx) Exceptional items¹ OIBDA -2,489 m 3,649 m Net Income
 -2,704 m 2,756 m Spectrum -1,094 m -2,390 m Underlying performance: reported figures excluding
 exceptional items and spectrum acquisition. Telefónica, S.A 1. In 2011 (all figures net of taxes):
 Workforce Reduction Plan in T. Spain (-1,870 m), PT capital gain (+183 m), Reduction in the value of
 TI 4 Investor Relations investment (-353 m) and PPAs (-664 m). In 2010 (all figures net of taxes):
 VIVO s capital gain (+3,476 m), Restructuring expenses in Germany (-141 m), Manx capital gain (+61
 m), T. capital write-down (-6 m) and PPAs (-633 m).

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TELEFÓNICA Capitalizing our highly diversified portfolio of operations Revenue OIBDA1 OpCF1 25%
46% 19% 46% 18% 44% (-1 p.p.) (flat) (+2p.p.) (+5 p.p.) (+4 p.p.) (+4 p.p.) 28% 35% 40% (-4 p.p.)
(-5p.p.) (-5p.p.) (y-o-y change) T. Latam T. España T. Europe Steady revenue T. Latam contributed with
7.4 p.p to consolidated sales growth growth BB & SbC 2 continue to gain traction: 26% over total (+3
p.p. y-o-y), with double digit growth Balancing profitability Limited OIBDA margin erosion with higher
Continue to leverage on cost contention efforts, scale and global initiatives commercial activity 11.2 m
OpCF pre-investment in spectrum acquisition and exceptional items Healthy cash flow Higher CapEx for
future growth generation 1,094 m in spectrum acquisition (Brazil, Spain and C. Rica) 1. Underlying
figures: reported excluding exceptional items and spectrum acquisitions. 5 Telefónica, S.A 2. Services
beyond connectivity. Investor Relations

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TELEFÓNICA Financial Summary: Organic performance Jan-Sep Jan-Sep Jan-Sep Organic Organic
 Guidance 2011 2011 2010 Change Change y-o-y fulfillment in millions Reported Organic Organic y-o-y
 ex-MTRs

Revenues 46,672 46,850 46,729 +0.3% +1.6% OIBDA 14,251 16,791 17,598 -4.6% -3.7%

OIBDA Margin 30.5% 35.8% 37.7% -1.8 p.p. Operating Income 6,696 9,319 10,191 -8.6% CapEx OpCF
 7,626 11,358 12,423 -8.6% (OIBDA-CapEx) Organic: assumes constant average exchange rates as of 9M
 10 and excludes changes in the perimeter of consolidation and hyperinflation accounting in 6 Telefónica,
 S.A Venezuela. Further details included at the end of the document. Investor Relations

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TELEFÓNICA Debt reduction in the quarter, with financial effective cost lower than last year in millions Net Financial Debt Evolution Total Net Debt + Total Net Debt + Commitments 2.56x OIBDA1 5.7 Bn FCF in Commitments 2.55x OIBDA2 9M 11: +11.6% 56,420 -2,567 y-o-y 55,430 +755 +315 +324 +183 FCF Post- Shareholder FX & Others Net Fin. Debt Jun-11 Minorities Commitments Cancellation Remuneration Net Financial Investments Net Fin. Debt Sep-11 Effective Financial Cost Effective Interest Cost 5.01% 4.85% Beating guidance 4.82% 4.58% 5%-6% Sep-103 Sep-11 Sep-103 Sep-11 Solid FCF generation, ramp-up in H2 11 1.7 Bn cash repatriated from Latam in 9M 11 1. LTM OIBDA as of Jun-11 including 100% of Vivo s OIBDA, excluding results on the sale of fixed assets and the provision related to the Telefónica Foundation s social activities. Telefónica, S.A 2. LTM OIBDA including 100% of Vivo s OIBDA, excluding results on the sale of fixed assets, the provision related to the Telefónica Foundation s social 7 Investor Relations activities and the provision related to workforce reduction in Spain. 3. Sep-10 Financial expense rate excluding the adjustment of the value of our stake in BBVA to its current market value.

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TELEFÓNICA Limited FX impact despite recent volatility Net Debt/OIBDA (T. UK & T. CR) Net Debt/OpCF T. LatAm ex-Venezuela in millions in millions Net Debt/OIBDA1 Net Debt/Op CF2 1.82x 9,210 2.06x FX debt for 5,136 solvency protection 4,478 2,815 Net Financial Debt OIBDA OpCF T. Latam Net Financial Debt Latam currencies ex-Venezuela ex-Venezuela FX impact OpCF ex-Venezuela 9M 11 in millions +41 +22 +10 -60 -18 -13 -15 -34 BRL/ CZK/ CLP/ ARS/ PEN/ GBP/ OTHERS 3 TOTAL 9MFX 1. LTM OIBDA. 8 Telefónica, S.A 2. LTM OpCF. Investor Relations 3. COP/ , MXN/ , GTQ/ , CRC/ , NIO/ , USD/ , UYU/ .

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TELEFÓNICA Comfortable refinancing, solid liquidity position 2012 Net Maturities (Sep-11) in billions
Undrawn lines maturing beyond 7.1 2.0 2012 exceeding this amount 2.4 Recent 1bn bond issuance
exceeding this amount 1.8 1.0 2012 Latam maturities Extendable Preferred Banking Debt December
Ex-Latam Others Shares 1 December Cash & Increased available credit lines 2 Balanced access to markets
in billions in billions 9.2 Total financing 7.9 4.4 11.0 Bn LT 4.0 LT 6.4 5.5 4.1 2.6 ST ST 2.5 2.8 Cash
& cash equivalents 3 Undrawn credit Bonds Bank lending Others 4 Undrawn credit & current financial
assets ex-Venezuela (Sep-11) lines Jun-11 lines post PT payment in Oct. 1. Preferred Shares contain a
call option on Telefónica for extending this financing with a step up. 9 Telefónica, S.A 2. Credit lines
exclude unused amount of Vivo facility (2 bn) Investor Relations 3. Cash and cash equivalents
ex-Venezuela. 4. LatAm & public entities.

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TELEFÓNICA Very intense targeted commercial activity Mobile contract base Accesses (Sep-11 y-o-y)
Over total base (Sep-11) Double digit growth Over total 9M net adds >100% 95% +76% +12% 69% 49%
50% 75 m 40% 34 m 32% 21% TEF T. España T. Europe T. Latam Mobile MBB Contract Data
penetration (Sep-11) Smartphone MBB 29% High single digit growth 27% 26% Key for T. 23% Digital
future +8% 15% +7% +6% 11% 6% 9% 300 m 18 m 232 m TOTAL Mobile FBB TEF T. España T.
Europe T. Latam 9M 11 net adds excludes accesses disconnections recorded in Q3 11 (360k prepaid
customers in Chile). 10 Telefónica, S.A MBB penetration: MBB accesses (dongles and smartphones)
with data attached rate/total mobile customer base. Investor Relations Smartphone penetration:
Smartphones with data attached rate/total mobile base excluding dongles and M2M.

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TELEFÓNICA Accelerating data revenue growth 9M 11 mobile data revenue growth (organic y-o-y)
Mobile data Non-P2P SMS P2P SMS Telefónica 52.2% 38.1% 38.8% 36.5% 34.3% 31.7% 19.6% 23.9%
18.6% 19.0% 11.4% 12.3% 4.8% 4.4% 3.8% Q1 11 T. España T. Europe T. Latam H1 11 9M 11 Mobile
data/MSR Non-P2P SMS/Mobile data revenue 9M 10 9M 10 9M 11 9M 11 36%41% 66%74% 30% 52%
53% 26% 25% 25% 44% 43% 45% 20% 21% 36% TEF T. España T. Europe T. Latam TEF T. España T.
Europe T. Latam Aggregate figures for mobile service revenue, mobile data revenue, P2P SMS and
non-P2P SMS data revenue. 11 Telefónica, S.A Investor Relations

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T. LATAM Latam: strong commercial activity across businesses Q3 11 Net adds1 x3 83k +60% +59% Increased volumes y-o-y and +44% Historical record Fixed x5 q-o-q across businesses -20% in Q3 net adds +18% +17% +12% TV +2% Total Mobile MBB FBB -47k Q3 11/ Q2 11 Q3 11/ Q3 10 y-o-y Q3 11 Mobile gross adds & accesses x3 Superior quality x2 +25% MBB and contract segment +20% of mobile sequentially increasing their weight commercial over total mobile accesses 9% 21% activity MBB Contract Gross adds y-o-y Accesses y-o-y % over total mobile accesses Accesses growth (y-o-y organic) +8.8% Double digit accesses growth in Sustained ramp mobile, FBB and TV +8.1% up in accesses Stable fixed traditional accesses +8.0% y-o-y Q1 11 Q2 11 Q3 11 Organic growth: assumes average constant exchange rates as of 9M 10 and excludes changes in the consolidation perimeter and hyperinflation accounting in 12 Telefónica, S.A Venezuela in both years. Further details included at the end of the document. Investor Relations 1. Excludes the disconnection of 360k inactive prepay mobile accesses in Chile.

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T. LATAM Latam: solid top line, healthy profitability Regional contributions Key drivers Ex-Mexico H1 11 (organic y-o-y) 9M 11 (organic y-o-y) +4.9% organic revenue y-o-y +20.7% +31.7% +16.2% +17.5p.p. +1.3p.p. +0.0p.p. +16.1% +30.6% -0.7p.p. +18.1% Strong revenue +5.1% +4.9% 24% of total performance fixed revenues 25% of MSR Brazil South. North. Others Outgoing Mobile Internet & Pay TV MobileData Voice Region Region Underlying9M 111 Mexico, commercial +4.4p.p. +17.7p.p. -0.3p.p. Margin activity and non- -2.2p.p. 36.1% recurrent dragging +2.6p.p. -4.3p.p. +10.9% OIBDA +2.3p.p. -0.9p.p. Brazil South. North. Others Ex- Region Region Underlying9M 111 Organic 9M 11 Mexico Ex-Regionalinitiatives Ex-CommercialActivity + Earthquake collections Y-o-y organic growth: assumes average constant exchange rates as of 9M 10 and excludes changes in the consolidation perimeter and hyperinflation 13 Telefónica, S.A accounting in Venezuela in both years. Further details included at the end of the document. Investor Relations 1. 2010 excludes the impact of our pre-existing stake in Vivo (3,797 m in Q3 10) and 2011 excludes PT capital gain (36 m).

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T. LATAM Brazil: good momentum, strengthened leadership Net adds (000) Mobile market share (Sep-11) (1) 2,983 2,989 43.0% 1,448 36.8% 398 29.5% 75% 3G Record net adds, 1,889 1,737 +5.0p.p. coverage, well 165 consistent lead +1.5p.p. above 81 23% in -0.7p.p. competitors 11 contract Total FBB -3TV Mobile MBB Total Contract Data Q3 11 Q3 10 % Contract over total accesses Revenue (y-o-y organic) +42.7% +42.0% +17.9% +18.4% +14.8%+16.5% Solid top line +6.4% +5.4% 22% 20% growth +4.7%+5.0% Revenue MSR Mobile Data Total Fixed FBB & TV H1 11/H1 10 9M 11/9M 10 % Data Revenue/MSR % FBB&TV / Total Rev ex-SMP OIBDA & margin (y-o-y organic) New innovative products launched in Q3 impacting commercial costs +13.2% Robust +7.8% profitability amid higher activity H1 11 9M 11 Margin Margin +0.8p.p. 37.4% 36.3% y-o-y 1. Source: Anatel. Data Market Share includes M2M and dongles. 14 Telefónica, S.A Investor Relations

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Brazil: higher value creation through upgraded synergies NPV. Bn Oct-2010 Current 2011 Upgraded!
Upgraded! 4.4/4.8 Upgraded! 3.3/4.2 2.7/3.1 2.3/2.7 1.7 1.0/1.5 Operating synergies Financial & tax
sinergies Total Increased synergies targets driven by higher value from integration Conservative approach
to goodwill amortization in Brazil Telefónica, S.A 15 Investor Relations

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T. LATAM Solid performance in other key operations Contribution to Revenue 9M TEF 9M Revenue y-o-y organic South Region North Region Argentina Venezuela Solid double digit top line growth Acceleration in top line growth boosted by outgoing revenues (+14.9% organic y-o-y) 4.9% Steady accesses growth in FBB (+13% y-o-y) 3.9% +15.2% and contract mobile (+9% y-o-y) +10.8% Sound OIBDA margin (44.2%) despite higher commercial activity Chile OIBDA margin impacted by higher Healthy revenue growth led by customer Mexico value strategy commercial activity, 3G network rollout and MTRs cut (-33 m in 9M 11) 3.7% Robust OIBDA performance with benchmark +6.1% profitability (44.5% margin in 9M 11) 2.5% Enhanced revenue trend (q-o-q) despite MSR negatively impacted by MTRs cuts (-74 -12.6% m in 9M 11) Peru Historical record net adds in Q3 across Steady better performance on Outgoing businesses (x2.3 vs. Q3 10) Traffic & Outgoing ARPU 3.2% Acceleration in top line growth and healthy +5.7% OIBDA margin (up q-o-q to 37.8%) +22.2% Outgoing Traffic (y-o-y) +12.3% 2.2% Outgoing Revenue (y-o-y) Colombia Robust revenue performance with steady +0.5% improvement in MSR (+8.2% y-o-y in Q3) -5.4% Consistent double digit y-o-y accesses -12.7% 2.5% growth on mobile contract (+21%), FBB (+15%) and Pay TV (+33%) Q3 10 Q4 10 Q1 11 Q2 11 Q3 11 +4.9% Growth rates in financials are given in local currency. In Venezuela, excludes also hyperinflation accounting in both years. 16 Telefónica, S.A Investor Relations

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Spain: enhanced commercial offer and no further T. EUROPE deterioration Fixed BB: 24.9+mobile contract · Inflection point in net adds Launched in September Positive signals Not applicable to customers enjoying Attracting new customers Setting new other promotions from enhanced price points commercial offer in the market Mobile: 6cents/min · Launched in July >1 m customers signed, lower churn · 0.15 set up fee + Monthly fee 6 Revenue (y-o-y) Strong push in mobile data contains MSR erosion (-8.8% in Q3; -8.1% in Q2) Revenue Q2 11 Q3 11 stabilization Stabilization of contract ARPU q-o-q sequentially MSR share > 5 p.p. access share (E) FBB ARPU flat q-o-q; lower decline y-o-y -6.6% -6.6% OIBDA (y-o-y) OIBDA margin Cost benefits from workforce reduction & Contained OIBDA new collective agreement to come (2012E) Q2 11 Q3 11 45.3% 45.6% deterioration, Stable commercial costs stable margin q- Asset disposals starting despite difficult o-q market conditions -10.7% -10.9% Q2 11 Q3 11 All data in comparable terms: y-o-y changes excluding Universal Service (56 m in revenues; 18 m in OIBDA), bad debt recovery (20 m in OIBDA) and sale of 17 Telefónica, S.A application rights (52 m in revenues and OIBDA) booked in Q3 10. In Q3 11 excludes provision for workforce restructuring plan (2,591 m) and sale of non-core Investor Relations assets(33 m in OIBDA).

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Spain: a new FBB offer capitalising on our integrated T. EUROPE position Retail FBB. Net adds (000) Pay TV. Net adds (000) Modest promotional activity in July/Aug. +20 Net adds trend improved by new Ramp-up in pay TV gross adds in Sep. Jul. Aug. Sep. H1 11 leveraging new content (best football -2 -4 Q3 11 offer content) 24.90 -26 offer -34 Connectivity ARPU (y-o-y change) Sustained improvement of FBB 25.4 24.9 24.8 FBB erosion connectivity ARPU Q1 11 Q2 11 Q3 11 easing Pay TV ARPU keeps growing (+3.0% y-o-y) -10.5% -14.8% -12.6% Fixed Revenue (y-o-y change) Voice Subsi- Q2 11 Data IT & Access Internet & BB diaries Q3 11 Internet & BB revenue driven by lower Similar top-line ARPU and customer base Increase in drivers OOB prices Fixed revenues showing slight q-o-q improvement due to voice & BB -0.5p.p. +0.6 p.p. -0.2 p.p. -1.0 p.p. +1.3 p.p. -6.4% -6.2% All data in comparable terms: y-o-y changes excluding Universal Service (56 m in revenues) and sale of application rights (26 m in revenues) 18 Telefónica, S.A booked in Q3 10. Investor Relations

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T. EUROPE Spain: a new mobile offer to foster growth in data Data ARPU (y-o-y) Non P2P SMS/Data +22.1% +23.5% MBB base 6.4 m (+48% vs. Sep-10) +18.3% 73% 75% Sustained ramp-up in data ARPU Strong data +11.1% growth Data is 25% of MSR (+5 p.p. y-o-y) +10.7% 73% of total contract activations are +7.6% smartphones Q1 11 Q2 11 Q3 11 Q2 11 Q3 11 Non-P2P SMS Total Contract ARPU Contract churn Contract is 69% of total base Customers up 3.5% y-o-y +12.6% + 11.7% Stable trends in 100% Better economics vs. prepaid: +8.5% contract Data 70% · ARPU = 3.1x prepaid · Churn = 0.4x prepaid Total 29.7 29.6 29.7 Total 6cent Q1 11 Q2 11 Q3 11 base customers Bundling voice + SMS + Data Habla y Navega 21 Habla y Navega 30 Habla y Navega 40 Habla y Navega 50 First to launch bundles with 6 cents/min 150 min/month 300 min/month 500 min/month New data centric unlimited SMSs in the market + commercial offer WEEKENDS Taylor-made options FOR FREE for contract Fostering cross-selling: 5 500 MB at max. speed 500 MB at max. speed 500 MB at max. speed 500 MB at max. speed SMS unlimited SMS unlimited SMS unlimited SMS unlimited discount for FBB customers Including 5 16 /month 25 /month 35 /month 45 /month discount for FBB costumers Telefónica, S.A 19 Investor Relations

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T. EUROPE UK: Re-gaining momentum, mobile data strength Mobile net adds (000) Total Contract New tariffs 3.3x 61 Improved New smartphone tariffs from 22 end-Aug driving gross adds 71 91 8 commercial 25 activity Contract churn stable at 1.1% Jul. Aug. Sep. -144 Q2 11 Q3 11 Smartphone penetration 1 Mobile data (y-o-y) Total Non-P2P SMS 38.1% Increased Favourable tiered plans adoption 32.2% 36% smartphone 60% consumer contract 29% adoption ~80% taking £6-10 bolt-on 9.5% 9.8% Dec-10 Sep-11 H1 11 Q3 11 MSR (y-o-y) OIBDA margin Reported Ex-MTRs Solid OIBDA amid Customer y-o-y growth slowdown +3.6% revenue pressure Stable outgoing ARPU y-o-y +0.3% -0.7% 27.3% 27.9% 26.7% in a tough decline over Q2 11 environment OOB and tariff optimization No signs of competition relief -4.3% -5.0% Q1 11 Q2 11 Q3 11 Q1 11 Q2 11 Q3 11 +4% +2% +1% Customer base (y-o-y) 1. Smartphones with data attached rate/total mobile base excluding dongles and M2M. 20 Telefónica, S.A Growth rates in financials are given in local currency. Investor Relations

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T. EUROPE Germany: delivering operating and financial growth Mobile net adds (000) O2 Blue 250 tariff net adds (000) Total Contract Most satisfied1 mobile customer base 391 398 57 308 47 Solid commercial 252 252 momentum 206 25 New O2 Blue tariffs & < 100 devices through exclusive partners (e.g. Fonic) Q1 11 Q2 11 Q3 11 Q1 11 Q2 11 Q3 11 Revenue growth (y-o-y) 65.2% Better customer mix, strong data usage 53.1% Non-P2P SMS data Sustained 27.8% MSR drag from MTR cuts : -7 p.p. in 9M 11 27.3% Mobile Data revenue Smartphone adoption leadership 31.8% 9.1% MSR ex-MTR acceleration 7.2% through My Handy model 18.5% · ~100% data plan attachment rate 4.9% Q1 11 Q2 11 Q3 11 OIBDA margin 24.5% 24.8% OIBDA growth (+2.3%2 y-o-y in 9M) on Robust OIBDA increased scale, higher efficiencies and 21.2% restructuring savings Q1 11 Q2 11 Q3 11 1. Kundenmonitor Deutschland 2011. 21 Telefónica, S.A 2. In organic terms. Investor Relations

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C. Republic: lead market positioning, robust improvementT. EUROPE across the board Fixed net adds 2011(000) Mobile customer mix (Sep-11) VDSL launch helps manage FBB ARPU 15 11 Solid ADSL 11 61% and reduces churn (-2 p.p. y-o-y) FBB share 38% +2 p.p. y-o-y performance in Contract base up 6% y-o-y 15% value customers -9 +3 p.p. Q3 MBB net adds 2.7x vs pre- Line losses -29 +5 p.p. campaign months -30 Q1 Q2 Q3 MBB Contract y-o-y change Revenue growth Total Czech Republic Slovakia Improved Better MSR q-o-q despite additional +49.8% +33.3% revenue trends MTR cut in Q3 (drags 3.8 p.p.) MSR Fixed Revs amid challenging Improving ICT and internet (ex-MTRs) conditions revenues y-o-y -6.4% -5.3% -7.0% -6.1% -7.4% -7.8% H1 11/H1 10 Q3 11/Q3 10 OIBDA margin 45.6% Efficiency agenda on track 41.3% 42.3% Best in class OIBDA margin in Positive and growing OIBDA in Slovakia +0.3 p.p. y-o-y CEE Superior cash generation; OpCF of 538 m in 9M Q1 11 Q2 11 Q3 11 Growth rates in financials are given in constant terms. 22 Telefónica, S.A Investor Relations

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TELEFÓNICA New organizational structure for new development phase Bolster Telefónica's place in the digital world, Telefónica Digital capturing growth opportunities Configuration of 2 large regions to streamline and Telefónica Latam Telefónica Europe balance the geographical mix #1 or #2 in most markets of operations Increased business profitability by fully leveraging Telefónica Global Resources global scale Reinforcing our status as a global player and leader in the digital world, strengthening our growth profile Telefónica, S.A 23 Investor Relations

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TELEFÓNICA T. Digital: The power to outperform in the digital world Leading Telefónica s strategy in the The new Telefónica Digital Digital world: · Exploiting new digital services, creating the capability for T. Europe and T.Latam to Existing digital + Developing digital + Direct benefits forTelefonica core differentiate from our competitors companies markets business · Developing best practices across the Group · Becoming a relevant player in the digital space through our differential assets Media content Financial Services VC programs and services Reinforcing growth by exploiting scale Terra M2M Global through footprint, partners and OTT partnerships unit Social Cloud opportunities: Network Data pricing · Unified Security strategy Reaching partnerships with established and Communications new players in the digital ecosystem Business eHealth Intelligence · Investing in innovative digital business Social Devices/software MVNO Media strategy 3,000 highly skilled professionals in 5 Communication centers: London, Spain, Silicon Valley, Advertising Services Sao Paolo and Tel Aviv Telefónica, S.A 24 Investor Relations

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T. Global Resources: Increase efficiency by leveraging our TELEFÓNICA global scale We are already making significant We have set clear priorities for the progresses to capture benefits from short term to fully exploit our scale our scale Network & IT (Infrastructures & operations): Increase standardization in global sourcing: · Rationalization and concentration of data Streamline current device portfolio (-40% in 12/15 centers months) maintaining commercial competitiveness · Requirements and vendors rationalization in CPEs1 · Joint model for IT operations in UK & Spain Common requirements and configurations for radio access and transport. · Network sharing agreements across regions Increase aggregation in global purchases: Procurement: 15% increase in current savings IT: · Consolidation of global procurement center in Germany, with direct impact in volumes Continue with global infrastructure consolidation managed: 88% in 2011 vs. 65% in 2009 Assets and services rationalization: · OpEx & CapEx savings reinvested in growth Sale of non-strategic towers · Global NOCs2 rationalization · Go deeper in active and passive network sharing · Focus on Financial and HR services through Shared services, levered in Global ERP3 Achieving our natural share in MNC s, leveraging the extended footprint opportunity: · Sales increase >20% y-o-y in 2012E 1. CPE: Customer Premises Equipment. 25 Telefónica, S.A 2. NOC: Network Operating Center. Investor Relations 3. ERP: Enterprise Resource Planning.

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TELEFÓNICA Key management priorities in the short term Drive growth and profitability & improve financial flexibility to deliver our commitments Maintain operating and financial leadership in Brazil LATAM Integrate fixed and mobile operations in Colombia to fully exploit synergies Complete operational turnaround in Mexico Balance commercial momentum and FCF protection in Spain Enhanced commercial activity in UK, with MBB gaining traction EUROPE Consolidate strong momentum and further market share gains in Germany Deliver a superior cash profile in C. Republic T.DIGITAL & Quick launch of new global units GLOBAL Foster growth in the digital world RESOURCES Further leverage scale benefits ACTIVE Selective monetization of assets across geographies PORTFOLIO MANAGEMENT Increased focus on co-investment opportunities & DELEVERAGE Strict working capital /tax management Meet 2011 Remuneration Leverage ratio guidance policy reiterated target confirmed Telefónica, S.A 26 Investor Relations

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TELEFÓNICA Conclusions: Management priorities focused on shareholder value Strong customer growth, building the foundations for future revenue growth On track to meet 2011 guidance, leveraging our diversification and strong growth in mobile data Sound FCF generation, strong liquidity position New organization to bolster growth and efficiency gains, enhancing execution Active portfolio management to optimize use of capital & improve financial flexibility Fully committed to our shareholder remuneration policy, backed by robust FCF generation Telefónica, S.A 27 Investor Relations

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Organic growth: In financial terms, it assumes constant average exchange rates as of January-September 2010, and excludes changes in the perimeter of consolidation and hyperinflation accounting in Venezuela. Therefore, in January-September 2010 the consolidation of Vivo, HanseNet, Tuenti and Acens are included whereas the revaluation of our pre-existing stake in VIVO accounted for in Q3 10, the results of Manx Telecom and restructuring costs in Germany are excluded. In OIBDA terms, in January-September 2011 the positive impact from the partial reduction of our economic exposure to Portugal Telecom is excluded, as well as workforce provision related to the Redundancy Program approved in Spain and the impact of the capital gain from the sale of Manx Telecom booked in Q2 10. Results from the Costa Rica operation are excluded from the organic growth calculation. Telefónica's Capex excludes the Real Estate Efficiency Programme at T. España, the real estate commitments associated with Telefónica's new headquarters in Barcelona and investments in spectrum. Net additions exclude accesses disconnections made in the second quarter of 2010 and in the third quarter of 2011. 2011 Financial results and accesses include from the second quarter of the year and retroactively from January 1st, 2011, the full consolidation of TVA, company that was already part of Telefónica's perimeter since the fourth quarter of 2007.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Telefónica, S.A.

Date: November 11, 2011

By: /s/ Miguel Escrig Meliá
Name: Miguel Escrig Meliá
Title: Chief Financial Officer