

TELEFONICA S A  
Form 6-K  
April 13, 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 April, 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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**Leading growth and profitability Julio Linares** Chief Operating Officer, Telefónica

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Seizing the digital opportunity

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**Capturing the digital growth leveraging on broadband and new services Access & voice Broadband Services Beyond Connectivity** Still market opportunities Mobile and fixed New market with high **Market** in our footprint broadband growth potential **view** complementary markets Capture remaining mobile Lead mobile data growth Reinforced open **Telefónica** growth and defend fixed and further develop fixed ecosystem underpinned **strategy** voice broadband by our digital assets

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**Mobile broadband is the biggest market growth opportunity today** <sup>1</sup>Morgan Stanley 2010 <sup>2</sup>Merrill Lynch. Matrix Wireless Q4; AppsFire. January 2011; Morgan Stanley Blue Paper, February 2011 <sup>3</sup>Cisco VNI 2010-2014. June 2010

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**Profitable mobile data monetisation is our key strategic priority Extend smart device Lead the market away adoption with specialized from unlimited customer care data tariffs Customer innovation Tiered pricing Profitable Monetisation Yield management ARPU management Maximise customer Increase usage of data, lifetime value new services and applications**

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**Innovation focus on customer experience** **RCS:** Rich Communications Suite **NFC:** Near Field Communications **CDN:** Content Delivery Networks

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**Tiered pricing is based on segmentation and customer needs Offers based on data caps Examples of execution Service specific tariffs for email, chat, social Type of service and use networks, browse... Limited volume with additional bolt-ons Limited volume tariffs for 100 MB, 500 MB, 1GB Maximum speed Speed offers for 2, 7, 14 Mbps Time of the day MB accounted half if used in off peak hours Type of device Seamless access from screen of choice Tiered pricing in place in each of our markets**

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**ARPU management is increasingly important** <sup>1</sup>Average contract (feature phone) and smartphone data attached rate customers across footprint **MBB: Mobile Broadband FBB: Fixed Broadband VoD: Video on Demand RCS: Rich Communication Suite M2M: Machine to Machine**

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**Yield management to reinforce customer profitability** **Acquisition:** manage tariffs, channels, handsets  
**Customer lifetime:** better understanding customer profitability and active management of profit drivers per customer **High level strategies:** optimization of retail activities, network development and commercial policies

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**Mobile broadband is the major growth driver for Telefónica revenues** <sup>1</sup>Figures for guidance assume constant FX (average FY 2010), excludes hyperinflationary accounting in Venezuela and changes in consolidation perimeter **MBB Penetration:** MBB accesses with data attached rate/Total mobile customer base **MBB Revenues** from smartphones, smart devices and connectivity MBB, mobile mail, MBB equipment (PCMCIA's, Dongles), roaming and WAP browsing. SMS and M2M excluded

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**We maintain our FBB strategy with a higher complementary approach FBB** Evolve our fixed offer towards **full FBB** proposals with increasingly higher bandwidth **FBB leverages** Reinforce our platforms to deliver **full IP services** from voice to video **mobile** Deliver **full bundles** (multiscreen, multimedia and integrated full home networking) **services ADSL <25 Mbps UBB 25 Mbps Massive** deployment across footprint **Selective** and **demand driven** rollout **3P standard quality** offer providing TV and VoD **High quality full bundled** offer supporting plus **full interactivity** services: **capillarity for cloud services** with enriched experience and low latency: # OTT video # Unlimited set of services including high quality # Online gaming content (HD, 3D) # Videoconference # Multiroom and multidevice applications, # PVR PVR enhanced functionality # Telepresence Pricing schemes for **entry level** and **medium level** Pricing schemes consistent with advanced services **users** and multitasking for **high level** users **FBB: Fixed Broadband VoD: Video on Demand PVR: Personal Video Recorder OTT: Over The Top UBB: Ultra Broadband** includes FTTx , VDSL and HFC

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**FBB will continue to be a significant growth engine** <sup>1</sup>Figures for guidance assume constant FX (average FY 2010), excludes hyperinflationary accounting in Venezuela and changes in consolidation perimeter **FBB Retail Accesses:** Include FO (Fiber Optics), DSL, cable modem and satellite **FBB Penetration:** Over total fixed lines ex Fixed Wireless **FBB Revenues:** Include Retail FBB connectivity, VAS, wholesale FBB, fixed data services and equipment revenues

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**Beyond connectivity we are reinforcing our service ecosystem**

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**Our digital assets strengthen our service ecosystem ONE PLATFORM - ONE SERVICE - ONE ROLLOUT DH: Digital Home M2M: Machine to Machine TIS: Telefónica Ingeniería de Seguridad TLS: Telefónica Learning Services**

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**Broadening our portfolio to new growth engines Video & DH** IPTV, Videoclub, HD, Social features, Telepresence, CDN **Apps** BlueVia, Wac X.0, App Folder, eBooks, O2 Media, RCS **Country focus rollout:** Handset insurance, Merchant payments & NFC, **Financial services** Direct to bill, m-pass, Cobranded cards Identified **leading countries** per product Movistar eHealth, Health CRM, Tele rehabilitation, Progressively **expanding eHealth** Imaging, Mobile baby, Chronic management to remaining countries **Globally following up** to Clean pipes, Anti fraud, Managed security, Mobile security, **Security** reinforce execution and Data loss prevention, Identity management delivery Managed connectivity, Managed devices, Asset **M2M** management, Utilities, Connected car, Smart cities **Cloud** Aplicateca, Terabox/3G, Virtual DC, Virtual Desktop **CDN: Content Delivery Network RCS: Rich Communications Suit NFC: Near Field Communications CRM: Customer Relationship Management DC: Data Center**

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**Services beyond connectivity will further foster top line growth Profit drivers** Global approach & scale New business leverage on core assets Margin improvement from greenfield to run rate <sup>1</sup>Figures for guidance assume constant FX (average FY 2010), excludes hyperinflationary accounting in Venezuela and changes in consolidation perimeter **Services Beyond Connectivity Revenues:** Include content, digital services, ICT solutions and vertical units revenues

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**We have important remaining revenue opportunities in voice Clear marketing focus: # Consumer:** Deepen **segmentation** and stimulate **usage** and **loyalty** through **commercial actions, up-selling plans** and **voice traffic promotions** # **Business:** Reinforce position in **SMEs** and **MNCs** **Mobile:** Solid growth in Latam and MTRs dragging growth in Europe and Spain: # **Capture penetration** in growth markets. Increase usage by accelerating prepay to contract **migration** # **Manage market share** in mature markets to offset **MTRs** cuts **Fixed:** Defend ARPU through **additional services:** # Defend **competitive positioning** through **bundles** # Develop **new VAS** to increase **usage** 1Figures for guidance assume constant FX (average FY 2010), excludes hyperinflationary accounting in Venezuela and changes in consolidation perimeter **Voice and Access Revenues:** Include fixed/mobile access & voice (SMS included), narrowband and mobile & fixed equipment revenues **Mobile Accesses:** Dongles and PCMCIAAs are not included **Fixed Accesses:** Fixed Wireless Accesses included

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We are expanding our value oriented customer base Accesses \_\_\_\_\_ CAGR \_\_\_\_\_ ARPU uplift 25%  
Dec-10 TEF. Millions 10-13 E \_\_\_\_\_ TEF. FY 2010 smartphone x1.5 VAR \_\_\_\_\_ penetration by  
2013 VAR 22.2 x3.5 +17 p.p. MBB 23.7 +50% FBB 17.1 +7% Mobile Prepay \_\_\_\_\_ Contract \_\_\_\_\_  
Smartphone Mobile 212.6 +5% Fixed 41.4 -1% x1.5 x2 >50% bundles Total 287.6 ~+6% by 2013 >340  
+18 p.p. Fixed by FY 2013E 1P 2P 3P 1Average prepay, contract (feature phone) and smartphone with  
data attached rate customers across footprint 2Smartphones with data attached rate / Total Mobile base  
excluding dongles and M2M accesses Mobile Accesses: Dongles and PCMCIAAs are not included  
Bundles: 2P+3P customers

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We are increasingly capturing growth opportunities Revenue Mix TEF \_\_\_\_\_ Services Access & Voice  
\_\_\_\_\_ BB \_\_\_\_\_ Beyond \_\_\_\_\_ Others Connectivity 75% 18% FY 2010 5% 2% CAGR -3%/-1%  
+12%/+16% > 20% 10-13 E1 64% 25% 9% FY 2013E 2% 1Figures for guidance assume constant FX  
(average FY 2010), excludes hyperinflationary accounting in Venezuela and changes in consolidation  
perimeter Voice and Access: Include fixed/mobile access & voice (SMS included), narrowband and  
mobile & fixed equipment revenues BB: MBB and FBB revenues ServicesPure Style Pure Compliance  
XMark Template Beyond Connectivity: Include content, digital services, ICT solutions and vertical units  
revenues Others: Subsidiaries and other companies

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Accelerating transformation

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Our operational model is adapting to customer behaviour changes Smartphone data traffic1 Quality rate  
70% Smartphones may either support 3G or dual 3G / WiFi Tablets may either support dual 3G / 30%  
WiFi connectivity (65%2) or just WiFi WiFi 3G Before \_\_\_\_\_ From now on Fixed \_\_\_\_\_ Fixed  
Network \_\_\_\_\_ Access Backbone Mobile \_\_\_\_\_ Mobile Network \_\_\_\_\_ Access Customer tightened  
to the network \_\_\_\_\_ Customer chooses device and network 1Preliminary measures on TEF networks  
including total mobile data traffic (2010) 2Business Insider. November 2010

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Leverage fixed and wireless technologies to meet customer demands Fixed access support: § Higher wireless access bandwidth (LTE/LTE Advanced) People § Closer sites to customers (Small Cells) IP + Optical + IMS \_\_\_\_\_ Apps § Customer indoor experience (WiFi) Cloud Home \_\_\_\_\_ CDN Wireless access support: FTTx + HSPA/LTE § Wireless loops (FW) § Wireless broadband (FWB) Business 3G & LTE BS FO connected \_\_\_\_\_ IMS implemented \_\_\_\_\_ Global CDN deployment TEF. % /Total BS \_\_\_\_\_ TEF. % of countries 100% TEF. Number of countries VAR \_\_\_\_\_ VAR 35 63% x4 x4 25% 17% 0 FY 2010 FY 2013E \_\_\_\_\_ FY 2010 FY 2013E \_\_\_\_\_ FY 2010 FY 2013E FW: Fixed Wireless FWB: Fixed Wireless Broadband IMS: IP Multimedia Subsystem CDN: Content Pure Style Pure Compliance XMark Template Delivery Network

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Demand driven coverage expansion User speed \_\_\_\_\_ Fixed Access Coverage \_\_\_\_\_ Fixed CapEx per access<sup>4</sup> TEF. %/Lines in service \_\_\_\_\_ TEF VAR UBB 1=25 Mbps \_\_\_\_\_ Selected urban areas 13% 26% -6%/-10% ADSL <25 Mbps \_\_\_\_\_ Nationwide coverage 98% 98% FY 2010 FY 2013E \_\_\_\_\_ FY 2010 FY 2013E Peak speed/carrier<sup>2</sup> Mobile Access Coverage \_\_\_\_\_ Mobile CapEx per MB TEF. % /Population \_\_\_\_\_ TEF VAR LTE 170 Mbps \_\_\_\_\_ High potential areas ~20%<sup>3</sup> -60%/-70% 3G /3.5G 42 Mbps \_\_\_\_\_ Selected urban areas 63% 82% 2G <1 Mbps \_\_\_\_\_ Nationwide coverage 90% 91% FY 2010 FY 2013E FY 2010 FY 2013E Figures for guidance assume constant FX (average FY 2010), excludes hyperinflationary accounting in Venezuela and changes in consolidation perimeter <sup>1</sup>Includes VDSL and FO <sup>2</sup>Peak theoretical speed supported by different MBB technologies <sup>3</sup>Coverage Pure Style Pure Compliance XMark Template for countries with LTE spectrum in the period <sup>4</sup>Includes investment in Fibre Optics accesses as well as customer equipment

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Manage network traffic growth in an efficient way Traffic Evolution \_\_\_\_\_ Mobile access evolution  
TEF. Gbps in busy hour § Offload mobile data traffic to WiFi and femtocells VAR \_\_\_\_\_ x2 § Better  
smartphone interworking § Capacity increase (densification, sectorization, small cells Fixed \_\_\_\_\_ and  
technology evolution through LTE, MiMo, dual carrier...) Mobile \_\_\_\_\_ x6 FY 2010 FY 2013E §  
Software Defined Radio and Active Antennas for flexible configuration 5 cm Backbone capacity §  
Efficient spectrum management (priority on low-frequency TEF \_\_\_\_\_ bands and spectrum for LTE)  
VAR \_\_\_\_\_ Fixed Access evolution x3 § Leverage copper technology evolution (bonding, vectoring) §  
Optimal FTTH/N deployment IP transport efficiency and QoS optimization Network OpEx per GB §  
Network intelligence capabilities (PCRF) -45%/-50% TEF \_\_\_\_\_ Online Charging System § VAR §  
CDN New operational models § Site building efficiency programs § Network sharing agreements to  
rollout new sites FY 2010 FY 2013E PCRF: Policy and Charging Rules Function

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Progressing our IT transformation with focus on execution DCs and Mainframe \_\_\_\_\_ Global Applications From specific country applications... From fragmented country-based infrastructure... \_\_\_\_\_ ...to global solutions when applicable... Visionzx ...to highly resilient global DCs (for both internal \_\_\_\_\_ ....focused on business requirements and supported IT and commercial services) with software factories SAP: Finance, HR, Logistics, Sourcing, Collections Unified mainframe management Service Platforms: Billing, Online Charging FY 2011E \_\_\_\_\_ DC in Brazil already launched System, New Global Services DCs in Spain, CR and Mexico along FY 2011E BI; Corporate & MNC CRM Consumer CRM FY 2013E 6 global DCs: 2 in Europe + 4 in LatAm OSS IT OpEx+CapEx to revenues \_\_\_\_\_ IT transformation \_\_\_\_\_ TTM TEF \_\_\_\_\_ TEF. % OpEx+CapEx transformation/IT \_\_\_\_\_ TEF VAR \_\_\_\_\_ VAR ~-50% +5p.p. 4% ~4% FY 2010 FY 2013E \_\_\_\_\_ FY 2010 FY 2013E \_\_\_\_\_ FY 2010 FY 2013E Figures for guidance assume constant FX (average FY 2010), excludes hyperinflationary accounting in Venezuela and changes in consolidation perimeter DC: Data Center \_\_\_\_\_ OSS: Operations Support System HR: Human Resources \_\_\_\_\_ TTM: Time To Market BI: Business Pure Style Pure Compliance XMark Template Intelligence CRM: Customer Relationship Management

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opportunities Local and regional integration \_\_\_\_\_ Global units \_\_\_\_\_ Global companies Spain R&D  
P&S \_\_\_\_\_ New Telefónica I+D Integrated network, operations, distribution and commercial  
organization Unified customer care and online channel MNC \_\_\_\_\_ IT TGT 1.5 bn Europe Cumulated  
Germany: Merger O2/Hansenet completed \_\_\_\_\_ OIBDA 11-13E1 CR: Fully on track integrated  
operation \_\_\_\_\_ Technology \_\_\_\_\_ Procurement TGS Latam Brazil: Vivo and Telesp integration on  
track South: F&M integration in progress \_\_\_\_\_ IT \_\_\_\_\_ Roaming TGR North: Wireless Fixed and  
BB One integrated company to optimise our cost structure and competitive advantage IFigures for  
guidance assume constant FX (average FY 2010), excludes hyperinflationary accounting in Venezuela  
and changes in consolidation perimeter TGT: Telefónica Global Technologies TGS: Telefónica Global  
Services TGR: Telefónica Pure Style Pure Compliance XMark Template Global Roaming

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Working to maximize efficiency OpEx \_\_\_\_\_ FY 2010 FY 2013E \_\_\_\_\_ CapEx \_\_\_\_\_ FY 2010 FY 2011E-13E Cum. TEF. Base 100 TEF. Base 100 CapEx < 27 bn Interconnection1 20% Down trend due to \_\_\_\_\_ UBB MTR cuts 3% ~1/3 of cumulative (FO + VDSL) CapEx to capture Commercial \_\_\_\_\_ MBB 20% the digital world 34% Increased total (3G + LTE) weight (~3p.p.) on high speed access Network & IT 21% & data growth IT 16% No major changes to enable growth Other expenses2 25% Stable \_\_\_\_\_ Customer3 15% Other4 46% Strong reduction in legacy OpEx aligned to revenue growth \_\_\_\_\_ CapEx to sales peak in FY 2011E Figures for guidance assume constant FX (average FY 2010), excludes hyperinflationary accounting in Venezuela and changes in consolidation perimeter 1Includes roaming 2Cost Of Goods Sold and operating expenses 3Includes Pure Style Pure Compliance XMark Template fixed and mobile customer related equipment 4Other fixed, 2G and other CapEx

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Recap

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Leading growth and profitability Seizing the \_\_\_\_\_ Profitable MBB growth monetisation as the key  
priority digital \_\_\_\_\_ New global services (verticals) and digital assets will be our new growth engines  
opportunity \_\_\_\_\_ We keep on capturing FBB and mobile business growth opportunities Best in class  
networks leveraging fixed and mobile and managing efficiently coverage and traffic growth Accelerating  
IT transformation and full evolution to a digital company as important transformation \_\_\_\_\_  
accelerators Reinforced global and integrated organization to leverage our scale and diversity

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Guidance recap CAGR 10-13E Revenues +1%/+4% FY 2011E-FY 2013E Upper 30 s OIBDA margin \_\_\_\_\_ limited erosion from FY 2010 Cumulative FY 2011E 2013E CapEx < 27 bn FY 2010 adjusted figures for guidance include full consolidation of Vivo, Hansenet and Tuenti in the whole year (12 months) and excludes Manx Telecom s results in January-June FY 2010. FY 2010 adjusted OIBDA excludes the capital gain from the revaluation of Telefónica s pre-existing stake in Vivo at the date of the acquisition of the 50% in Brasilcel owned by Portugal Telecom, non-recurrent restructuring expenses registered in the second half of FY 2010, and the capital gain derived from the disposal of Manx Telecom. FY 2013E guidance assumes constant exchange rates as of FY 2010 (average FX in FY 2010), excludes hyperinflationary accounting in Venezuela and changes in the perimeter of consolidation. At the OIBDA level guidance for FY 2013 excludes write-offs (impairments of subsidiaries), capital gains/losses from companies disposals and significant exceptional mainly related with restructuring costs. Results from the operation in Costa Rica are 33 excluded from Pure Style Pure Compliance XMark Template guidance calculation. Group CapEx excludes Real Estate Efficiency Program of T. España, the Real State commitments \_\_\_\_\_ associated to the new Telefónica premises in Barcelona and spectrum licenses

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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: April 13<sup>th</sup>, 2011

By: /s/ Ramiro Sánchez de Lerín García-Ovies  
Name: Ramiro Sánchez de Lerín  
García-Ovies  
Title: General Secretary and Secretary  
to the Board of Directors