

MÁSMÓV!L

Acquisition of Pepephone

April 28, 2016

ACCELERATING OUR GROWTH STRATEGY

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However, MASMOVIL will apply its best efforts to provide information about these and other factors that could affect the projection statements, the business and financial results of the Company, in the documents it submits to the MAB (Mercado Alternativo Bursátil) in Spain. All those who may be interested are invited to consult the said documents.

Accelerating our growth strategy

1	Highly attractive standalone business	<ul style="list-style-type: none">✓ c.460k mobile customers (>95% postpaid) and 35k ADSL customers✓ Lowest churn in the Spanish market (16.3%)✓ €64m revenues in 2015 and €13.1m EBITDA✓ Highest customer satisfaction in the industry✓ Extremely lean cost structure (opex 9% of revenues, 22 employees)
2	Accelerates MASMOVIL's growth strategy	<ul style="list-style-type: none">✓ The transaction brings MASMOVIL 2018 targets materially closer✓ The merger creates a more than 200 million revenue company✓ More than double the size of the company in terms of EBITDA✓ Achieve scale in mobile with close to one million customers✓ Significant upside opportunity from cross-selling to non-convergent customers
3	Unlocks relevant synergies	<ul style="list-style-type: none">✓ Combination of two market leaders to reach greater scale✓ Total NPV of cost synergies after integration of €95-115m✓ Run-rate synergies of c.€10m EBITDA in the third full year after integration✓ Potential revenue synergies not included✓ Low operational execution risk
4	Value accretive transaction	<ul style="list-style-type: none">✓ Accretive to EPS and FCF from the first year✓ Enterprise value of €158m on a debt free cash free basis✓ 6.6x EV/2015 EBITDA and EV/2015 OpFCF adjusted for run-rate synergies✓ Cash offer for 100% of the share capital

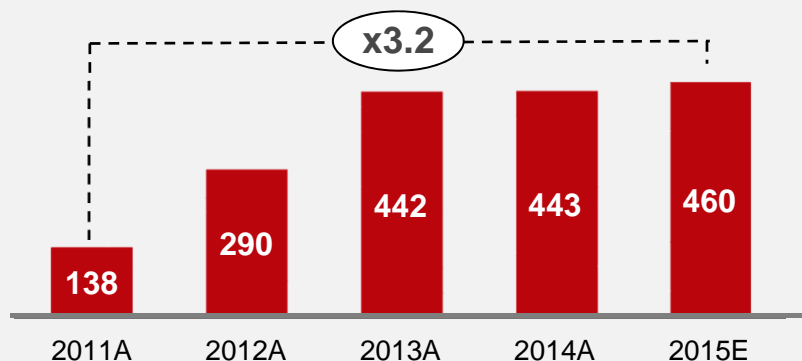
Closing expected in H2 2016 subject to satisfactory anti-trust approvals and confirmatory due diligence



One of the most successful MVNOs in the Spanish market

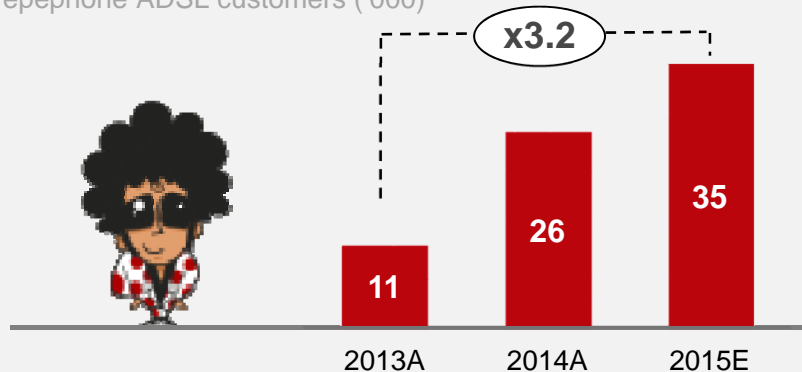
One of the fastest growing MVNOs in the Spanish market

Pepephone mobile customers ('000)



Successfully expanding its presence to the ADSL market

Pepephone ADSL customers ('000)



Sound financial track record¹

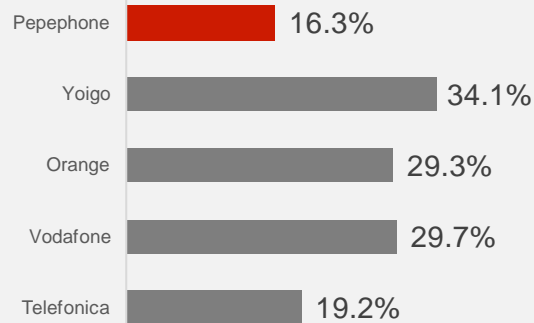
Revenues €64m	+7% YoY
	+40% 4-year CAGR%
Gross Margin €19.2m (30% of rev.)	+26% YoY
	+49% 4-year CAGR%
EBITDA €13.1m (20.5% of rev.)	+42% YoY
	Negative EBITDA in 2011

¹ Source: Pepephone management

A strong brand that attracts valuable and loyal customers

Stable customer base with the lowest churn in the industry¹

Postpaid customers and churn rate H1 2015 (%)

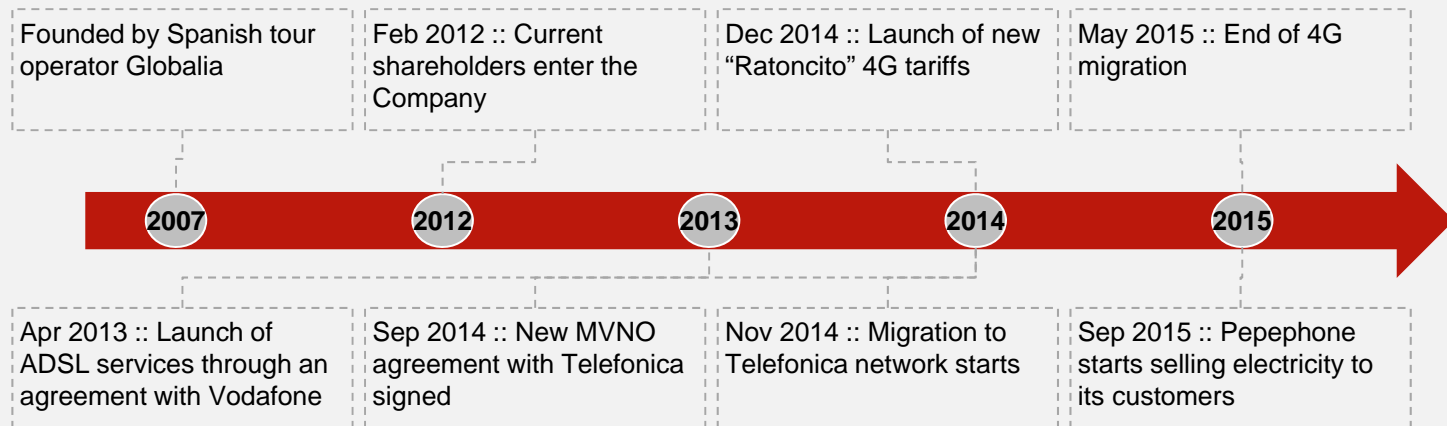


Strong brand image driving sales to the online channel 100% onshore customer care (Mallorca)

- ✓ Customer satisfaction award - Mobile (OCU)
- ✓ TMT most loved brand (FACUA)
- ✓ Best valued TMT company for customer engagement (ZenitOptimedia)

Online channel sales H1 2015
c.80%

Key milestones

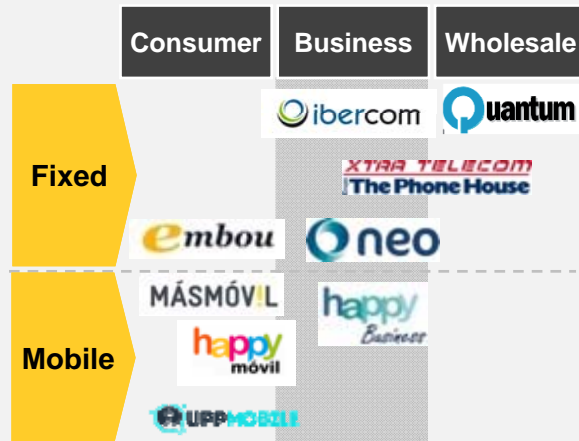


¹ Source: Companies quarterly results reports and Pepephone management

On the right path to consolidate fourth position in Spain

Build-up phase

From MVNO to integrated telco through a targeted M&A strategy



- ✓ 10 companies acquired and successfully integrated in the last 24 months
- ✓ Unique alternative player with a multi-segment marketing approach and national coverage

Remedies acquisition in 2015

The right assets to compete effectively in the Spanish market

MASMOVIL footprint ('000)

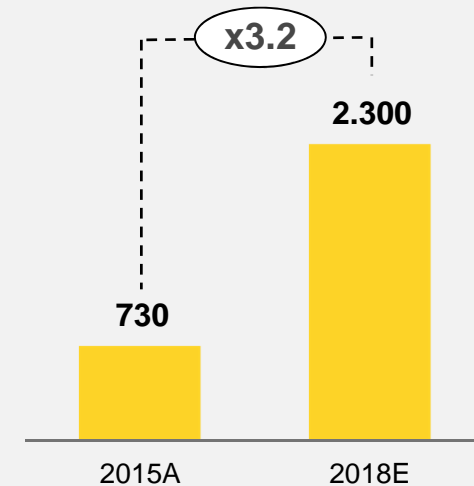


- ✓ c.800,000 FTTH building units in Madrid, Barcelona, Seville, Malaga and Valencia
- ✓ Access to Jazztel's national coverage xDSL network
- ✓ Total estimated value for the assets c.€600m

FTTH network rollout plan

Enlarge footprint to reach 2.3m building units in three years

MASMOVIL footprint ('000)



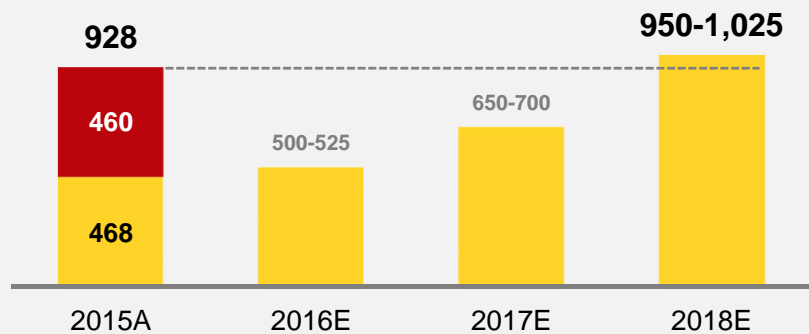
- ✓ Focus on low population density areas where competition is less intense
- ✓ Co-investment agreements to minimize capex requirements

Transaction brings MASMOVIL 2018 targets materially closer



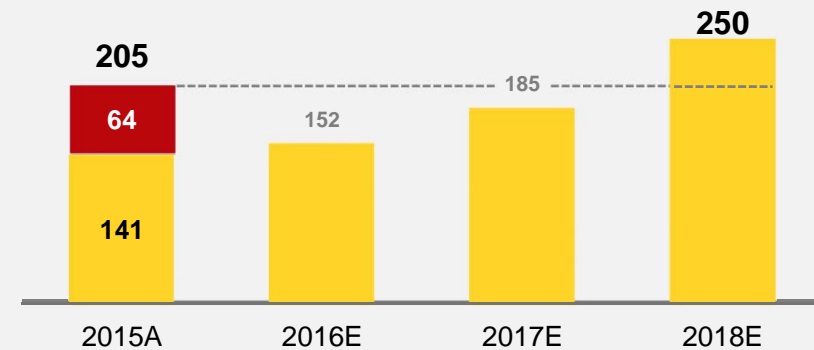
Close to one million mobile customers

Mobile customers ('000)

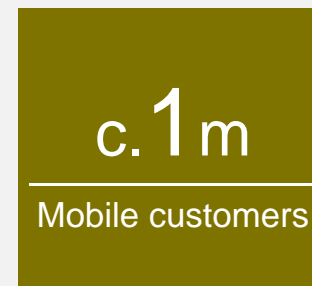


More than €200 million revenue in 2015

Revenue ('000)



Merged company key financials 2015



Source MASMOVIL and Pepephone management

Significant cost synergies with limited integrations cost



Key categories	Description	NPV
Direct cost synergies	✓ Optimization of mobile host costs	c.€65-80m
	✓ Reduction of ADSL costs of Pepephone	c.€30-35m
Other OPEX synergies	<ul style="list-style-type: none"> ✓ Brand and marketing costs efficiencies ✓ Sales channel mix optimization ✓ Consolidation of IT stacks ✓ Purchasing 	c.€10-15m
Integration costs	✓ Integration cost expected to be incurred within 18 months from closing	
Total costs synergies NPV c.€95-115m ¹		

¹ NPV after integration costs

Value accretive transaction

Value creation	$\frac{\text{€158m}}{\text{Enterprise value (EV)}}$	$\frac{\text{x6.6}}{\text{EV/2015 adj EBITDA}^1}$	$\frac{\text{x6.6}}{\text{EV/2015 adj OpFCF}^1}$
Financing	✓ 50% Debt / 50% Equity		
Conditions	✓ Subject to satisfactory anti-trust approvals and confirmatory due diligence		
Timetable	✓ Closing expected in H2 2016		

¹ Adjusted for run-rate synergies achieved in the third full year following completion and before integration costs