

MÁSMÓV!L

Acquisition of Yoigo

June 21, 2016

CONSOLIDATING FOURTH POSITION

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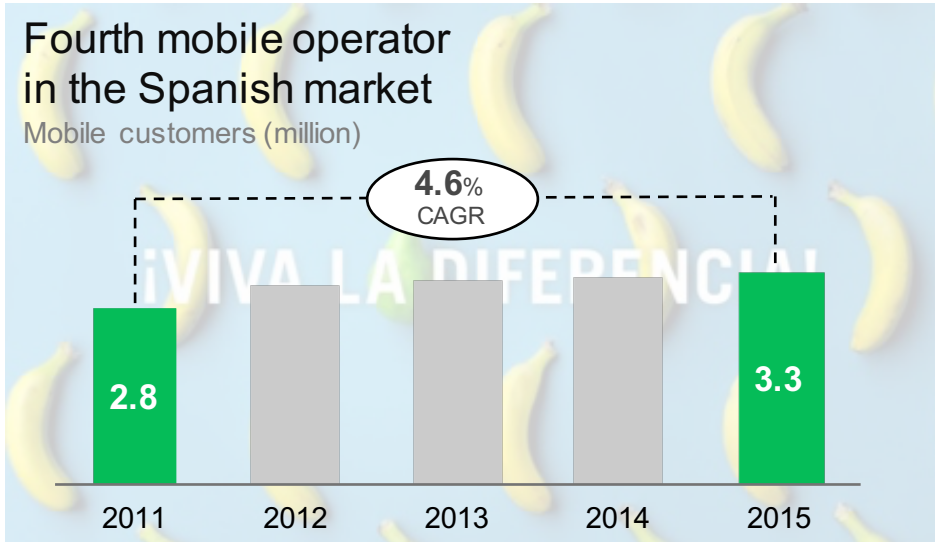
MASMOVIL consolidates fourth position in Spain

1	Highly attractive standalone business	<ul style="list-style-type: none">✓ c.3.3 million mobile customers of which c.70% are postpaid¹✓ €865m revenues in 2015 and €83m EBITDA¹✓ Spectrum holdings within the 1,800MHz and 2.1GHz band✓ State-of-the-art mobile network infrastructure✓ Positive evolution of ARPU, churn and postpaid gross adds in the last quarters
2	Consolidate fourth position in Spain	<ul style="list-style-type: none">✓ The merger creates a c.1.1 billion revenue company✓ More than €108m aggregated proforma EBITDA in 2015✓ c.4.2m residential mobile customers (10.5% market share)✓ Complementary fixed and mobile network infrastructures (national coverage)✓ Fully 4G upgraded mobile network
3	Unlocks relevant cost synergies	<ul style="list-style-type: none">✓ Total NPV of cost synergies after integration of €370m✓ Run-rate synergies of c.€60m EBITDA in the third full year after integration✓ Potential revenue synergies not included (cross-selling to Yoigo non-convergent customers)✓ Limited operational execution risk
4	Value accretive transaction	<ul style="list-style-type: none">✓ Enterprise value of €612m on a debt free cash free basis✓ 5.3x EV/2015 EBITDA and 8.1x EV/2015 OpFCF adjusted for run-rate synergies²✓ Cash offer for 100% of the share capital✓ Accretive to EPS and FCF from the first year

¹ Based on company information

² Adjusted for run-rate cost savings 2019 without additional synergies

Yoigo has managed to thrive in a convergent market...



State-of-the-art mobile network infrastructure

- ✓ Spectrum holdings within the 1,800MHz and 2.1GHz band
- ✓ Fully 4G upgraded network with c.4,700 sites (c.85% population coverage)
- ✓ c.800 exclusive Yoigo stores

Sound financial track record

Revenues €865m	+1.4% ¹ YoY
	+5.4% ¹ 4-year CAGR%
EBITDA €83m (9.4% of rev.)	+11.6% YoY
	+15.7% 4-year CAGR%
OpFCF €34m (4.2% of rev.)	x2.2 ² YoY
	Negative in 2014

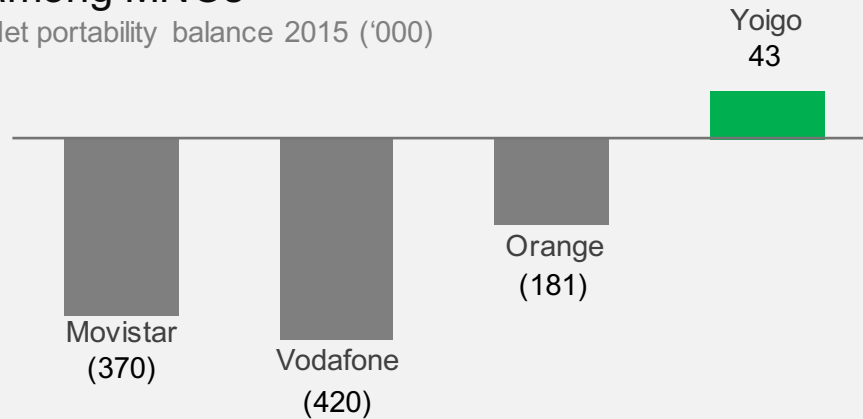
¹ Billed traffic evolution

² Recurrent OpFCF in 2015 is €64m growing from €29.6m in 2014

... by focusing on high-value customers

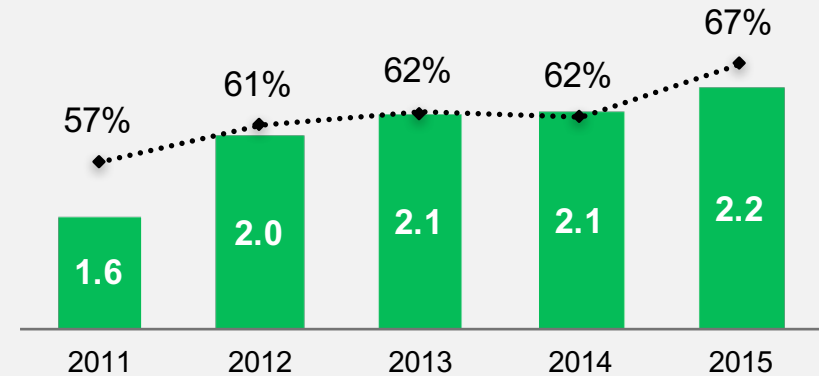
Leading mobile portability among MNOs¹

Net portability balance 2015 ('000)



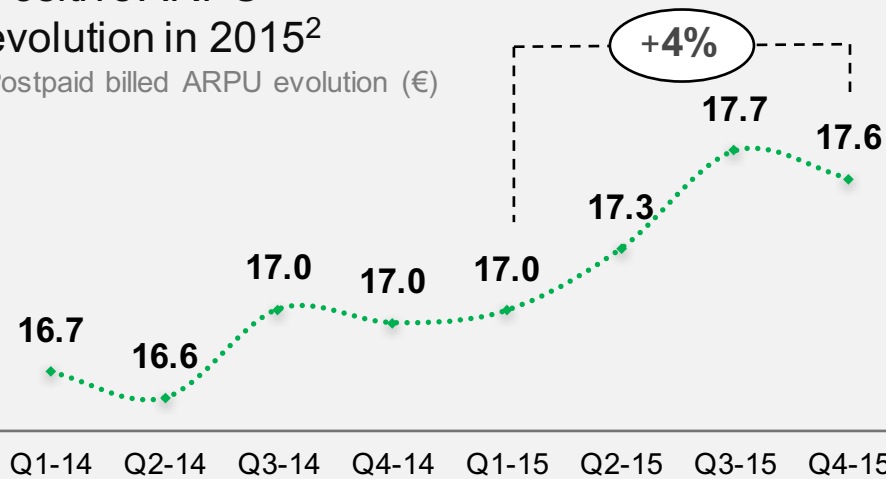
Successfully growing its postpaid customer base²

Postpaid customers (million) / Postpaid %



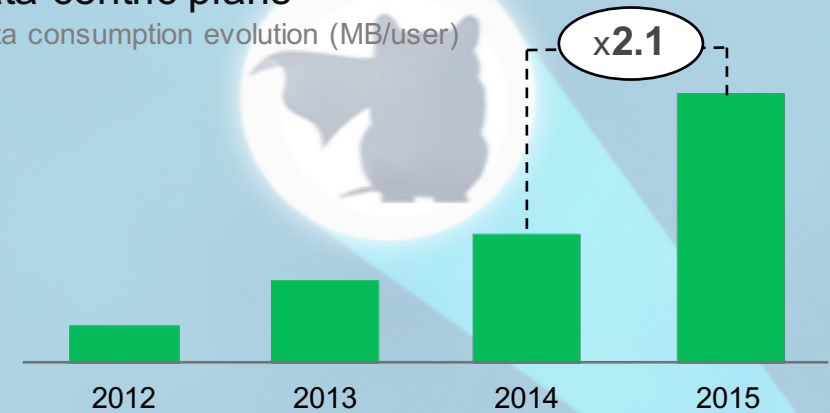
Positive ARPU evolution in 2015²

Postpaid billed ARPU evolution (€)



Industry leading data-centric plans²

Data consumption evolution (MB/user)



¹ Source CNMC

² Based on company information

Remedies acquisition in 2015

The right assets to compete effectively in the Spanish market

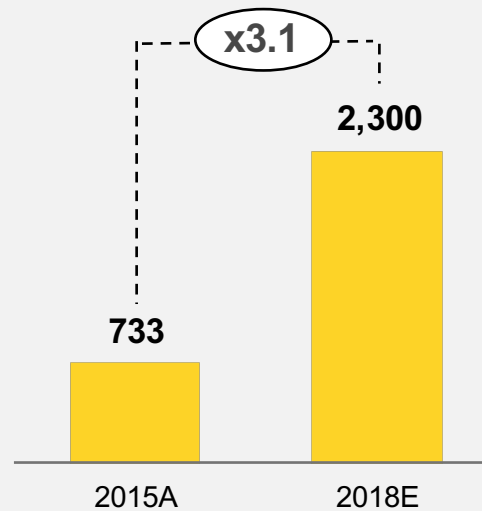


- ✓ c.750,000 FTTH building units in Madrid, Barcelona, Seville, Malaga and Valencia
- ✓ Access to Jazztel's national coverage xDSL network
- ✓ Total estimated value for the assets c.€600m

FTTH network rollout plan

Enlarge footprint to reach 2.3m building units in three years

MASMOVIL footprint ('000)



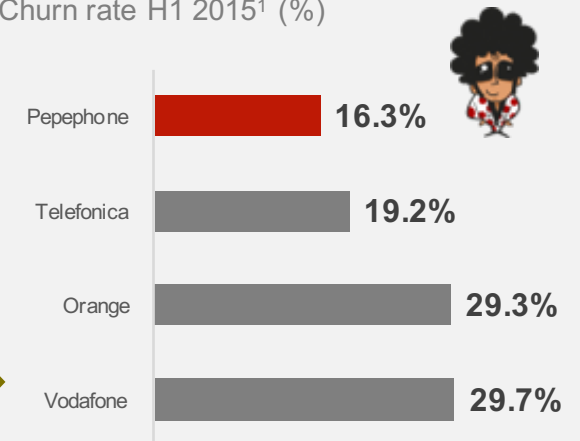
- ✓ Focus on low population density areas where competition is less intense
- ✓ Co-investment agreements to minimize capex requirements

Pepephone acquisition

The company was acquired in May 2015 for €158m

- ✓ 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

Churn rate H1 2015¹ (%)

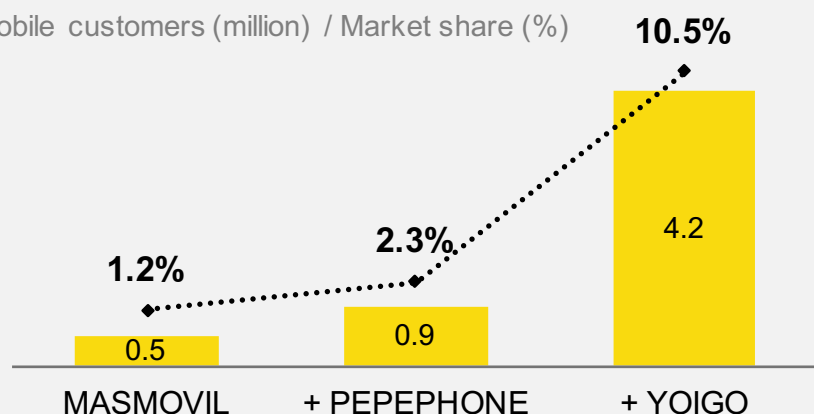


¹ Source: Companies quarterly results reports and Pepephone management

The merger will create a 1.1 billion Company...

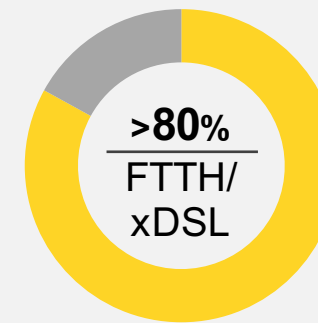
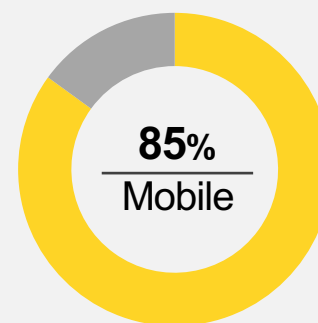
More than four million mobile customers¹

Mobile customers (million) / Market share (%)

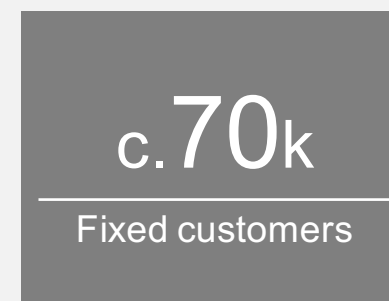
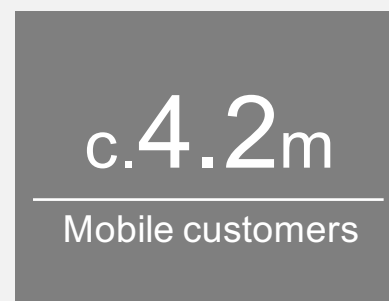


National coverage both in fixed and mobile¹

Population coverage (%)



Merged company key financials 2015²



¹ Based on company information

² MASMOVIL, Pepephone and Yoigo aggregated proforma results 2015

The transaction creates €370m in cost savings and synergies

Key categories	Description	NPV	Run-rate ¹
Direct cost savings	✓ Optimization of direct network costs	c.€370m	c.€60m
Integration costs	✓ Expected to be incurred within 24 months from closing	c.€50m	
Additional synergies			
OPEX & CAPEX savings	<ul style="list-style-type: none"> ✓ IT systems integration ✓ Reduced aggregated advertising costs ✓ Purchasing optimization ✓ Other opex synergies 		
Churn synergies	✓ Reduction of churn linked to convergent offer availability		
Deferred tax assets	✓ Deferred tax assets		

¹ Run-rate cost savings 2019 without additional synergies

Value accretive transaction

<p>Transaction multiples and value creation</p>	<table border="1"> <tr> <td data-bbox="584 261 1144 596"> <p>€612m¹</p> <hr/> <p>Enterprise value (EV)</p> </td> <td colspan="2" data-bbox="1151 288 2058 596"> <p>Post direct cost savings</p> <table border="1"> <tr> <td data-bbox="1167 363 1554 592"> <p>x5.3</p> <hr/> <p>EV/2015 EBITDA²</p> </td> <td data-bbox="1644 363 2051 592"> <p>x8.1</p> <hr/> <p>EV/2015 OpFCF²</p> </td> </tr> </table> </td> </tr> <tr> <td colspan="3" data-bbox="584 608 2058 833"> <ul style="list-style-type: none"> ✓ Appealing transaction multiples on financial terms ✓ Significant value creation by combining fixed and mobile assets with a large customer base ✓ EPS and FCF accretive deal from first year of operations </td> </tr> </table>	<p>€612m¹</p> <hr/> <p>Enterprise value (EV)</p>	<p>Post direct cost savings</p> <table border="1"> <tr> <td data-bbox="1167 363 1554 592"> <p>x5.3</p> <hr/> <p>EV/2015 EBITDA²</p> </td> <td data-bbox="1644 363 2051 592"> <p>x8.1</p> <hr/> <p>EV/2015 OpFCF²</p> </td> </tr> </table>		<p>x5.3</p> <hr/> <p>EV/2015 EBITDA²</p>	<p>x8.1</p> <hr/> <p>EV/2015 OpFCF²</p>	<ul style="list-style-type: none"> ✓ Appealing transaction multiples on financial terms ✓ Significant value creation by combining fixed and mobile assets with a large customer base ✓ EPS and FCF accretive deal from first year of operations 		
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<p>Financing</p>	<ul style="list-style-type: none"> ✓ Envisaged financing structure 30-50% equity and equity-like 								
<p>Conditions</p>	<ul style="list-style-type: none"> ✓ Subject to satisfactory Antitrust clearance 								
<p>Timeline</p>	<ul style="list-style-type: none"> ✓ Closing expected in H2 2016 								

¹ An additional earn-out of up to €96m will be paid in 2020 if the company reaches €300m 2019 EBITDA (no payment due under €210m EBITDA)

² Adjusted for run-rate cost savings 2019 without additional synergies