



COMMUNICATION OF A RELEVANT FACT

MASMOVIL GROUP

In accordance with article 17 of the Regulations (UE) number 596/2014 on market abuse and article 228 of the Securities Market Act passed by Legislative Royal Decree 4/2015 of October 23 and concordance rules, we inform the market about the following Relevant Fact referred to MASMOVIL IBERCOM, S.A. ("**MASMOVIL**" or the "**Company**" or the "**Group**").

RELEVANT FACT

Providence convertible repurchase–partial hedging through total return swaps

As detailed in the Relevant Fact published on April 1st, 2019 (the "**Initial Relevant Fact**"), within the context of its refinancing, the Company and PLT VII MC, S.à r.l. ("**Providence**") entered into a purchase agreement by means of which the Company will repurchase the convertible bonds issued by the Company in 2016 and held by Providence (the "**Repurchase Agreement**"). A portion of the purchase price thereunder (payable in December 2019) will depend on the Company's share price during a certain period of time.

With the intention to partially hedge the exposure to MASMOVIL's share price under the Repurchase Agreement, on the date hereof, MASMOVIL has entered into two cash-settled total return swaps (the "**TRS**") with two leading international banks (the "**TRS Providers**") over a €100M total Equity Notional Amount which is expected to be unwound between October 2019 and January 2020. These TRS allow MASMOVIL to hedge c. 40% of the above mentioned potential variable payment to Providence under the Repurchase Agreement.

In order to hedge their exposure under the TRS, the TRS Providers need to purchase a number of shares in the Company equal to the notional of the TRS, either in the market or directly from the Company during the Hedging Period, and for such purposes, MASMOVIL has approved a €100M capital increase through the issuance of 5M new shares at 20€ per share, to be fully subscribed by the TRS Providers (as mentioned in the Relevant Fact to be published this morning).

Madrid, 8th May 2019

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