



COMMUNICATION OF RELEVANT FACT (*HECHO RELEVANTE*)

GRUPO MASMOVIL

14 December 2017

In compliance 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 23 October, and applicable supplementary rules, we inform the market about the following Relevant Fact ("*Hecho Relevante*") that refers to MASMOVIL IBERCOM, S.A. ("**MASMOVIL**" or the "**Group**") and its wholly-owned subsidiary MASMOVIL BROADBAND, S.A.U.

RELEVANT INFORMATION

Tender Offer of the Bonds issued under "MASMOVIL BROADBAND, S.A.U. July 2016" and "MASMOVIL BROADBAND, S.A.U. March 2017" (ISIN Code ES0205138003; Common Code 142752522)

On the date hereof, 14 December 2017, MASMOVIL BROADBAND, S.A.U. ("**MMBB**", the "**Company**" or the "**Issuer**"), in compliance with the irrevocable commitment that was announced in the relevant fact published last 20 October 2017 both in the Spanish Alternative Market of Fixed Income ("**MARF**") under filing number 171019, and in the Spanish Stock Market Exchange ("**CNMV**") under filing number 257590, at the time of the calling of the General Bondholders' Meeting referred thereto, **announces the tender offer (the "Tender Offer") addressed to all the holders of the senior secured bonds** in an aggregate principal amount of SIXTY-EIGHT MILLION EURO, annual interest rate of 5.75% and final maturity on 27 July 2024, 2024, all of these bonds being fungible and with ISIN Code ES0205138003 (the "**Bonds**" and the holders of the Bonds at any time, the "**Bondholders**"), which were issued by MMBB on 21 July 2016 2016 (the "**Issue of Bonds MASMOVIL BROADBAND, S.A.U. July 2016**") and 10 March 2017 (the "**Issue of Bonds MASMOVIL BROADBAND, S.A.U. March 2017**" (jointly, the "**Issues**").

1. Acceptance period

The Tender Offer **will start today, 14 December 2017 at 20:00 of Central European Time (CET) and will terminate at 23:59 (CET) on 29 December 2017**, and therefore, this acceptance period will last for a period of 15 calendar days following the date on which this announcement is made (the "**Acceptance Period**", and the termination date of the Acceptance Period, the "**Deadline for the Acceptance**").

The Issuer hereby reserves the right to extend the Acceptance Period for such additional term that the Issuer may consider necessary provided that administrative or technical reasons so justify for the execution of the Tender Offer with one or several Bondholders, in which case an appropriate relevant fact would be published in MARF and CNMV in order to communicate the extension of the Acceptance Period, without affecting in any way whatsoever the rights of the Bondholders to receive



the Repurchase Price and the Accrued Coupon (as both these terms are defined hereafter) in the amounts and dates set out in this Tender Offer for those Bondholders that would have conveyed and not withdrawn their acceptance within the Acceptance Period that the foregoing paragraph provides for.

2. Repurchase Price

The ex-coupon repurchase price for each of the Bonds is fixed in the amount of ONE HUNDRED AND THIRTEEN POINT SEVENTY FIVE PER CENT (113.75%) of the face value of each Bond for which each Bondholder communicates its decision to accept the repurchase, this is, of **ONE HUNDRED AND THIRTEEN THOUSAND, SEVEN HUNDRED AND FIFTY EURO (113,750€)** (the “**Repurchase Price**”), as the Issuer has determined this percentage as the fair value of the Bonds as financial instruments.

3. Payment of the Accrued Coupon

Together with the payment of the Repurchase Price (ex-coupon referred to in section 2 above), the Issuer will pay to the Bondholders that communicate their decision to accept the Tender Offer and will not withdraw such decision prior to the Deadline for the Acceptance, the accrued and unpaid interest that correspond to the ongoing interest period in accordance with the cash flows chart included in the Offering Circulars (*Documentos Informativos de Incorporación*) of both Issues, this is, the interest accruing from 28 July 2017 (inclusive) to 29 December 2017 (inclusive) as Deadline for the Acceptance, that is to say, an interest equal to 2.426027% (the “**Accrued Coupon**”).

Therefore, for each Bond having a face value of one hundred thousand euro (100.000€), the Issuer will pay an Accrued Coupon amounting to **TWO THOUSAND, FOUR HUNDRED AND TWENTY-SIX EURO AND THREE (2,426.03€)**, which will result in a total repurchase price, coupon included for each Bond that is repurchased that will amount to **ONE HUNDRED AND SIXTEEN THOUSAND, ONE HUNDRED AND SEVENTY-SIX EURO AND THREE CENTS (116,176.03€)**.

4. Addresses and acceptance levels of the Tender Offer

This Tender Offer is addressed to all and each of the Bondholders that submit appropriate evidence by IBERCLEAR or other systems for registry, clearing and settlement of securities (e.g. EUROCLEAR or CLEARSTREAM) its ownership over one or several Bonds issued under any of the two Issues, with no preference or priority of any kind between the Issue of Bonds MASMOVIL BROADBAND, S.A.U. July 2016 and the Issue of Bonds MASMOVIL BROADBAND, S.A.U. March 2017 because of the fungibility (*fungibilidad*) of both Issues.

There is no minimum level for the acceptance of the Tender Offer for being considered valid and effective; therefore, any Bondholder may accept this Tender Offer irrespective of other Bondholders deciding whether or not to accept it, and the Tender Offer is made for all the Bonds being currently



traded, that is, in a maximum principal amount of SIXTY-EIGHT MILLION EURO (68,000,000€), and thus, no proration will apply.

For the avoidance of doubt, each of the Bondholders has the right to accept or reject the Tender Offer for the whole amount of the Bonds that such particular Bondholder holds, but such Bondholder will not be able to accept the Tender Offer for a portion of the Bonds it holds and, at the same time, to reject the Tender Offer for the other Bonds such Bondholder owns, and therefore, no partial acceptance of the Tender Offer will be allowed.

5. Settlement and Early Settlement of the Repurchase Price and of the Accrued Coupon

The Issuer will make the payment of the Repurchase Price and of the Accrued Coupon to those Bondholders that accept the Tender Offer on the fifth business day following the e Deadline for the Acceptance, that is to say, value-dated on Monday 8 January 2018 (the “**Repurchase Date**”), **through the Participating Entities of IBERCLEAR where the Bondholders have deposited the Bonds owned by them, in accordance with the Operating Instruction (*Instrucción Operativa*) that the Settlement Agent (as this term is defined below) published in IBERCLEAR for these purposes.**

In the event that the Acceptance Period may have been extended for one or several Bondholders in accordance with section 1 above, the payment of these amounts will be made on the fifth business day following the termination of the extended Acceptance Period.

Notwithstanding the foregoing, for those Bondholders that communicate their irrevocable acceptance of the Tender Offer before 13:00 CET on Friday, 22 December 2017 (the “**Date of Notice for Early Acceptance**”), the Issuer will make the payment of the Repurchase Price and the whole Accrued Coupon (that is, including the whole amount of the interest that would have accrued until the Repurchase Date inclusive) to those Bondholders value-dated on 28 December 2017 (the “**Early Repurchase Date**”), **through the IBERCLEAR the Participating Entities of IBERCLEAR where the Bondholders have deposited the Bonds owned by them,** provided that IBERCLEAR allows for such early settlement, **in accordance with the Operating Instruction (*Instrucción Operativa*) that the Settlement Agent (as this term is defined below) published in IBERCLEAR for these purposes.**

The Issuer has appointed to Banco Sabadell, S.A., Payment Agent under both Issues, in order that it also carries out the functions of payments agent for the settlement of the Bonds that will be repurchased in its condition of participating entity of IBERCLEAR (the “**Settlement Agent**”).

6. Procedure for the acceptance of the Tender Offer by the Bondholders

Each Bondholder that wishes to accept the Tender Offer will need to address to the financing entity where such Bondholder has placed in deposit the Bonds (the “**Custodian**”) in order to convey its selling order of the Bonds, so that such order can be received and processed by the Custodian for its transmission to IBERCLEAR in accordance with the Operating Instruction (*Instrucción Operativa*) that



the Settlement Agent publishes in IBERCLEAR for these purposes, prior to the Date of Notice for Early Acceptance or to the Deadline for the Acceptance, as the case may be.

For mere informative purposes, **so this will not imply in any case an acceptance of the Tender Offer**, the Issuer must deliver a notice about its intention to attend to the Tender Offer (the “**Notice to the Global Coordinator**”), prior to the Date of Notice for Early Acceptance or to the Deadline for the Acceptance, as the case may be, in accordance with the template of communication that is appended to this document as **Schedule 1**, by electronic mail (e-mail) with proof of delivery and reading, to the following e-mail addresses:

- sergiogs@grupocimd.com
- mjparra@grupocimd.com
- balcalde@grupocimd.com

With copy to:

- Javier.Marin@masmovil.com
- Pilar.Pascual@masmovil.com
- a.campo@evergreenlegal.es

For these purposes, the Issuer has appointed to Intermoney Valores, Company de Valores, S.A. in order that it carries out the functions of global coordinator entity of the Tender Offer (the “**Global Coordinator**”).

7. Publication of the results of the Tender Offer and Redemption of the Bonds being repurchased

The Issuer will announce the results of the Tender Offer during the business day following the Deadline for the Acceptance, this is, on Tuesday 2 January 2018 by means of the publication in MARF and CNMV of the appropriate relevant facts (*hechos relevantes*).

The Issuer will proceed to redeem those Bonds being repurchased in the terms set out in this announcement as a result of the fact that the rights of the Issuer and the Bondholder becoming confused in the same legal person for these Bonds, for which the Issuer will make all necessary arrangements for this redemption with MARF, Iberclear and any other system of clearance and settlement of securities in accordance with the procedures and timing for such redemption or redemptions that the Operating Instruction (*Instrucción Operativa*) of the Settlement Agent provides for.

8. Rationale of the Tender Offer and funding sources

This Tender Offer is made within the framework of the policy of the Issuer’s and the group of companies to which the Issuer belongs (the “**MASMOVIL Group**”) to reduce the costs of their financial indebtedness arising from different financing instruments executed until the date



hereof and, therefore, will help to optimize the position of the MASMOVIL Group in Spain.

Furthermore, the Tender Offer will provide for a liquidity window for those Bondholders that, for any reason, wish to sell the Bonds and/or obtain repayment of principal amount in advance to the cash flows chart set out in the Offering Circulars (*Documentos Informativos de Incorporación*) of both Issues, taking into account the terms and conditions of the Bonds that result from the amendments approved by the Bondholders' general meeting held last 6 November 2017 at 12:00 (CET) hours in a first meeting, with a majority of Bondholders attending to such meeting (quorum) of 78.38% (the "**General Meeting of November 2017**"), once these amendments enter into force and effectiveness.

In this regard, this Tender Offer constitutes and implements the fulfilment of the irrevocable commitment announced and informed by the Issuer on the relevant facts (*hechos relevantes*) published last 20 October 2017 both in MARF under filing number 171019, and in CNMV under filing number 257590, at the time the calling of the General Meeting of November 2017 was made, particularly in section 6 of the Consent Solicitation Memorandum appended to said relevant facts. The results of the aforesaid General Meeting of November 2017 were also released by the Issuer through the publication of the corresponding relevant facts in MARF and in CNMV on 7 November 2017, under filing numbers 171106 and 258288, respectively.

The Issuer will finance in whole the payment of the Repurchase Price and of the Accrued Coupon by means of the utilisation of a new tranche of banks' facilities in a maximum available amount of 78,000,000€ and, residually, through cash on hand and at banks of the Issuer and/or of the MASMOVIL Group (through the granting of intercompany loans).

9. Summary of calendar of relevant dates that each Bondholder must take into account

Date and time	Milestone or action
14 December 2017, 20:00 CET	Beginning of the Acceptance Period
22 December 2017, 13:00 CET	Deadline for the Notice for Early Acceptance
28 December 2017	Early Repurchase Date
29 December 2017, 23:59 CET	Deadline for the Acceptance
2 January 2018	Announcement of the results of the Tender Offer
8 January 2018	Repurchase Date (except for those Bondholders for which the Early Repurchase Date applies)



10. Additional information

For any additional information or query that any of the Bondholders and its appointed advisors may wish to make about the contents of the Tender Offer and the requirements in order to deliver an acceptance order, the following contact details are available for the Investor:

Entty	Name	Contact person(s)	E-mail	Teephone
Global Coordinator	Intermoney Valores, Company de Valores, S.A.	Sergio García; María Jesús Parra; Begoña Alcalde	sergiogs@grupocimd.com miparra@grupocimd.com balcalde@grupocimd.com	(34) 914326400
Legal Counsel to the Global Coordinator	Cuatrecasas, Gonçalves Pereira, S.L.P.	Jaime de the Torre; Miguel Cruz; Isabel Cabrera	jaime.delatorre@cuatrecasas.com miguel.cruz@cuatrecasas.com isabel.cabrera@cuatrecasas.com	(34) 915247100
Issuer	MASMOVIL Broadband, S.A.U. (Grupo MASMOVIL)	José María del Corro; Javier Marín; Pilar Pascual; Juan Luis Delgado	jose.delcorro@masmovil.com ; javier.marin@masmovil.com ; Pilar.Pascual@masmovil.com ; juanluis.delgado@masmovil.com	(34) 722395200
Legal Counsel to the Issuer	Evergreen Legal, S.L.P.	Alberto Campo; Diego Pérez de Nanclares	a.campo@evergreenlegal.es d.perezdenanclares@evergreenlegal.es	(34) 917370731

Important notice: This communication neither constitutes nor is included within any offer of request to purchase or subscription of securities in the United States of America or in any other jurisdiction. Neither the Bonds nor any of the security interest and guarantees granted in order to secure the fulfilment of the Issuer's obligations under the Bonds (the "Security and Guarantees") have been or will be registered in accordance with the regulations applicable in the United States of America particularly, the U.S. Securities Act of 1933). Neither the Bonds nor the Security and Guarantees can be offered or sold in the United States of America unless the Bonds, the Security and Guarantees get registration or are exempt from registration in accordance with the U.S. Securities Act of 1933. There will be no public offer of the Bonds or of the Security and Guarantees in the United States of America. No copies of this communication are being distributed to the United States of America, and must not be distributed or delivered at any time.

It could be unlawful to distribute this communication in certain jurisdictions. This communication must not be distributed, either directly or indirectly, in the United States of America (including its territories and possessions, any State of the United States or the District of Columbia), Canada, Japan or Australia. The information included in this communication does not constitute and is not included in any offer for securities or any request of purchase or subscription of securities in the United States, Canada, Japan or Australia.

In the Member States of the European Economic Area (EEA), this announcement and any offer of securities that may be subsequently made is exclusively addressed to "qualified investors" within the meaning given by article 2 (Definitions) i, paragraph 1, of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "Regulation EU 2017/1129") (the "Qualified Investors"). It will be presumed that any person that acquires securities in the EEA at any securities offering (an "investor"), or to whom any securities



offering is made, has declared and accepted to be a Qualified Investor. It shall also be considered that any investor has declared and accepted that any securities that it has acquired in the offer has not been made in the name of other persons in the EEA that are not Qualified Investors or persons in the United Kingdom or other Member States (where an equivalent regulation exists) for which the investor has the power to make decisions in a in an entirely discretionary way, nor any securities have been acquired with the aim of selling or re-selling these in the EEA, when this may require the publication by the Company of a prospectus, in accordance with article 3 (*Obligation to publish a prospectus and exemption*) of Regulation EU 2017/1129. The Issuer and other agents involved in the offer will rely on the accuracy and truthfulness of the aforesaid statements and arrangements.

This communication is being distributed and is exclusively address to (i) persons that are located outside the United Kingdom or (ii) persons located in the United Kiddom that comply with the definition of investment professionals given by article 19(5) of the Financial Services and Markets Act 2000 (*Financial Promotion*) Order 2005 (the "Order") or (iii) high net worth companies, unincorporated associations etc. to which this communication can be lawfully given, pursuant to article 49(2)(a) a (d) of the Order (all these persons being referred to as the "relevant persons"). The securities to which this communication refers will be only available for relevant persons, and any solicitation, offer or arrangement to subscribe, purchase or acquire by any other means said securities will be only available for relevant person. Any other person that does not meet the criteria to be considered a relevant persons must not take any action on the basis of this communication or rely on it or any of its contents. This communication is exclusively address to relevant persons and cannot be taken into account for any other person that do not meet the criteria to be considered a relevant person.

This document and the Tender Offer that is included herein are governed and must be construed in accordance with the laws of Spain.

Madrid, 14 December2017

Mr. Meinrad Spenger

On behalf of MASMOVIL IBERCOM, S.A., acting as Issuer's Sole Director



SCHEDULE 1

**TEMPLATE OF NOTICE TO THE GLOBAL COORDINATOR
(BY ELECTRONIC MAIL)**

To... sergiogs@grupocimd.com; mjparra@grupocimd.com; balcalde@grupocimd.com
CC... Pilar.Pascual@masmovil.com; a.campo@evergreenlegal.es

Dear Sirs.:

In accordance with the contents of the announcement made by means of relevant fact (*hecho relevante* that refers to MASMOVIL IBERCOM, S.A. (“**MASMOVIL**”) and its wholly-owned subsidiary MASMOVIL BROADBAND, S.A.U. dated 14 December 2017, we hereby communicate our intention to attend to the **Tender Offer of the Bonds issued under the “Issue of Bonds MASMOVIL BROADBAND, S.A.U. July 2016 and/or the Issue of Bonds MASMOVIL BROADBAND, S.A.U. March 2017”** that are owned by our entity (the “**Bondholder**”) in accordance with the following details:

Name of the legal person or individual holding ownership of the Bonds :	
Tax Identification Number :	
Number of Bonds owned by the Bondholder and for which it has the intention to accept the Tender Offer:	
Corporate name of the financing entity where the Bonds are placed in deposit (the Custodian):	
Intention to attend to the Tender Offer prior to the Date of Notice for Early Acceptance (13:00 CET of Friday 22 December 2017) <i>[please include YES or NO in the following cell]</i>	
Intention to attend to the Tender Offer prior to the the Deadline for the Acceptance (23:59 CET of 29 December 2017) <i>[please include YES or NO in the following cell]</i>	

This communication does not constitute or may be considered in any way whatsoever as an acceptance of the tender offer by our entity, but only a communication for information purposes only in order to ease the follow-up of the selling order of the Bonds that our entity will make through the financing entity where the Bonds that our entity holds as of the date hereof are placed in deposit.

Yours sincerely,