



COMMUNICATION OF A RELEVANT FACT

MASMOVIL GROUP

6th September 2018

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

MASMOVIL and Vodafone agree to share up to 1.9 million Building Units in FTTH

MASMOVIL has reached an agreement with Vodafone ONO, S.A.U. ("Vodafone") to share a Fiber-to-the-Home ("FTTH") network of around 1.9 million Building Units (BU's), figure that will be reached in a maximum period of four years.

The agreement includes:

- MASMOVIL and Vodafone will provide long term rights of use (34 years) for each other's FTTH footprint mentioned above.
- The sharing agreement is structured in three phases to be completed during a period of four years maximum, in which each party can acquire from the other up to 942k BU's.
- The initial phase, until the end of 2019, involves around 1.1 million BU's.
 - The commercial availability of the first 942k BU's for Masmovil is scheduled for December 2018.
 - These BU's are located in the provinces of Alicante, Asturias, Badajoz, Barcelona, Córdoba, Girona, Guipúzcoa, La Coruña, Madrid, Málaga, Navarra, Pontevedra, Sevilla, Valencia, Valladolid, Vizcaya y Zaragoza.

MASMOVIL

This agreement allows MASMOVIL:

- To exceed significantly MASMOVIL's 2018 FTTH own network target of 5.1 million BU's to more than 5.4 million BU's (considering the 942k BU's of this agreement and the 4.5 million reported in 1H18). This increase in MASMOVIL's own footprint is carried out efficiently in cash terms, since purchase/sale price is the same for both parties.
- To improve MASMOVIL competitiveness and FTTH profitability as own FTTH network footprint increases in the short term.

Madrid, 6th September 2018

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