

PRESS RELEASE

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Subject Advising Telefónica Deutschland

CMS advises Telefónica Deutschland on sale of 2,350 mobile telecommunications masts

Frankfurt/Main – Telefónica Deutschland has sold 2,350 mobile telecommunications masts to Telxius Telecom S.A. for EUR 587 million. Telefónica Deutschland will continue to use the masts for its network operations under a framework lease agreement. Telxius Telecom S.A. is a subsidiary of Telefónica, S.A. and specialises in telecommunications infrastructure.

The sale allows Telefónica Deutschland to take advantage of current favourable market conditions to boost the company's financial flexibility. The proceeds of the transaction will be reinvested in expanding the network and developing new business areas.

To prepare for the transaction, the masts – excluding the active network technology – were first transferred to a newly established company, which was then sold to Telxius.

A team from CMS Germany with Dr Oliver Thurn as principal partner and Dr Martin Kuhn and Dr Martin Kolbinger as lead partners advised Telefónica Deutschland on the legal aspects of the carve-out and the sale.

Telefónica Deutschland provides mobile and fixed-line telecommunications services to private and business customers. With 48.4 million¹ customer connections, the company is among the three leading integrated telecommunications providers in Germany. Telefónica

¹ As at 31 December 2015. Combined total for Telefónica in Germany.

Deutschland has 43.1 million² customers in the mobile segment alone, making it the market leader in Germany. The company is part of Spanish telecommunications group Telefónica S.A. headquartered in Madrid – one of the world’s largest telecommunications providers.

CMS also advised Telefónica Deutschland on the company’s IPO in October 2012, the acquisition of E-Plus in July 2013, the placement of two benchmark bonds totalling EUR 1.1 billion (November 2013, February 2014), a capital increase worth around EUR 3.6 billion (September 2014) and on a debut private placement worth EUR 300 million (April 2015).

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² Combined total sales as at 31 December 2014.

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About CMS:

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CMS provides a wide range of expertise across 19 expert practice and sector areas, including Banking & Finance, Commercial, Competition, Corporate/M&A, Dispute Resolution, Employment, Energy, Intellectual Property, Lifesciences, Real Estate, Tax and TMC.

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