

PRESS RELEASE

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Subject Advising Telefónica

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CMS Hasche Sigle advises Telefónica Deutschland on acquisition of E-Plus

Munich – Telefónica Deutschland Holding AG has signed an agreement with Dutch telecommunications group Royal KPN N.V. to acquire Düsseldorf-based mobile service provider E-Plus. KPN, which operates out of The Hague, will receive EUR 3.7 billion and an initial share of 24.9% in the merged company. The proposed merger is currently awaiting approval from the relevant authorities and from KPN shareholders at the shareholders' meeting. Telefónica also needs to pass the relevant capital increase resolutions. The new company is expected to deliver synergies of EUR 5 to 5.5 billion. With 43 million customers and annual sales of more than EUR 8 billion, it is set to become a leading German telecommunications provider.

A team led by Dr Oliver Thurn, Dr Martin Kolbinger and Dr Martin Kuhn advised Telefónica Deutschland on all legal aspects of the transaction. CMS Hasche Sigle has also advised the company in the past, with projects including the acquisition of Hansenet from Telecom Italia in 2009 and Telefónica's IPO in Frankfurt in October 2012.

Munich-based Telefónica Deutschland is a subsidiary of Spanish telecommunications group Telefónica S.A. and the third-biggest integrated telecommunications provider in Germany. In the 2012 financial year, the company generated sales revenue of EUR 5.2 billion through its O2 brand. Following the sale of the E-Plus Group, KPN intends to focus more on its core markets. Last year, its sales reached EUR 3.4 billion. Once the transaction is complete, Telefónica S.A. will acquire 7.3% of the KPN shares; Telefónica S.A. is then expected to hold 65% of the merged company and KPN 17.6%, with 17.4% in free float.

C/M/S/ Hasche Sigle

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