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## TELEFÓNICA SELLS ITS 32.18% STAKE IN MEDITEL TO CURRENT LOCAL SHAREHOLDERS FOR € 400 MILLION

- Telefónica has agreed the sale of its total investment in Meditel, including its 32.18% capital stake together with its outstanding shareholder loans, to the other current local partners at Méditel for a total cash consideration of € 400 million
- Telefónica is selling its stake jointly with Portugal Telecom, resulting in the transfer of a combined 64.36%
- The transaction is only subject to regulatory approval

**Madrid, 1 de septiembre de 2009.-** Telefónica Móviles España, S.A., a 100% subsidiary of Telefónica, S.A. has signed a binding agreement to sell its 32.18% stake in Medi Telecom, SA, (Méditel) together with its outstanding shareholder loans for a total cash consideration of € 400 million to the other current local partners at MÉDITEL, namely FINANCECOM, S.A., RMA WATANYA S.A. and FIPAR HOLDING. TELEFÓNICA is selling its stake jointly with PORTUGAL TELECOM, resulting in the transfer of a combined 64.36% interest in MÉDITEL. The closing of the transaction is only subject to regulatory approvals.

Telefónica and Portugal Telecom have been present in the shareholding of Méditel for more than 10 years. Both shareholders have significantly contributed to the growth of the company and have allowed it to become the second operator in the Moroccan wireless market and to achieve an outstanding competitive position in the mobile broadband segment through the development of a top quality 3G network.

After a very successful experience in Méditel, Telefónica considers that it is the appropriate time to crystallise the value created throughout this decade in Morocco.

### Telefónica

Telefónica is one of the world's largest telecommunications operators by market capitalisation. Its activities are centred mainly on the fixed and mobile telephony businesses, while its broadband business is the key growth driver underpinning both. It has presence in 25 countries and has a global customer base of 264 million. Telefónica's growth strategy is focused on the markets in which it has a strong foothold: Spain, Europe and Latin America. Telefónica is a 100% private company, with more than [1.5] million direct shareholders.