



Press release

Telefónica España and Vodafone España have signed a memorandum of understanding to create a joint vehicle for the provision of fibre optic services ("FibreCo")

Madrid, 30th July 2024. Telefónica de España S.A.U. ('Telefónica España') and Vodafone ONO S.A.U. ('Vodafone España') have signed a non-binding memorandum of understanding which contains the main terms for the creation of a joint FTTH network sharing vehicle ('FibreCo') and they both enter into a period of exclusive negotiations in order to agree on the final terms.

The FibreCo will cover approximately 3.5 million premises and will allow both parties to maximise existing FTTH network use and to capture efficiencies, both from the existing network and its future technological evolutions, enabling them to offer the best services to their customers.

The new company will provide fibre optic services to Telefónica España and Vodafone España, both for retail and wholesale, and it is expected to have around 1.4 million customers connected upon incorporation, reaching a take-up level of approximately 40%.

FibreCo's shareholding will be based on the number of customers of each partner in the footprint. Once the company is established and operations have started, both parties intend to incorporate a financial investor in the capital of the new fibre entity.

This transaction improves the fibre broadband service offer in the Spanish market available to the end-user.

Emilio Gayo, Chairman of Telefónica España, said: "With the creation of this FibreCo, Telefónica captures efficiencies and unlocks value on its network, contributing to the digitalisation development in the Spanish market for the benefit of consumers and businesses".

José Miguel García, main executive of Vodafone España, said: “This agreement is a further step in our strategy to transform Vodafone España into a more competitive company, guaranteeing access to fibre optic networks to our customers and offering them a better service”.

The proposed transaction is subject to final agreement between the parties and the relevant regulatory approvals, which are expected to be obtained by early 2025.

About Telefónica

Telefónica is one of the largest telecommunications services providers in the world. The company offers fixed and mobile connectivity as well as a wide range of digital services for residential and business customers. With more than 388 million customers, and more than 100,000 employees, Telefónica operates in Europe and Latin America. Telefónica is a 100% listed company and its shares are traded on the Spanish Stock Market as well as in New York's and Lima's.

About Telefónica España

Telefónica España has extensive and consolidated experience in the telecoms sector and is the leading Spanish convergent operator, with solid financial metrics and excellent service. The company has the best NPS and lowest churn, leveraging on the largest infrastructure in Spain, with 30 million premises passed and remarkable 5G coverage.

About Zegona

Zegona was established in 2015 with the objective of investing in companies within the European TMT sector and improve its performance in order to deliver attractive returns to shareholders. Zegona is led by former Virgin Media executives Eamonn O'Hare and Robert Samuelson.

On 31st May 2024, Zegona completed the acquisition of 100% of Vodafone España for EUR 5,000 million.

About Vodafone España

Vodafone España is a national provider of fixed, mobile and TV services in Spain, providing services to consumers, business and government customers. It was acquired by Zegona in May 2024.

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