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TELEFÓNICA SELLS ENDEMOL HOLDING TO A CONSORTIUM COMPRISING MEDIASET, GESTEVISIÓN-TELECINCO, CYRTE AND GOLDMAN SACHS

- **The deal is priced at Euro 2.629 billion. i.e. Euro 25 per share, which represents a capital gain close to Euro 1.400 billion for Telefónica**

Telefónica has signed an agreement to sell its 99.7% stake in Endemol Investment Holding to a newly-established consortium after analysing the offers received last Friday (the deadline for presenting binding offers).

Endemol Holding is a holding company which has a 75% indirect stake in Endemol NV, the global leader in television and audiovisual entertainment which creates premium content for the major broadcasters around the world.

The buyer is a newly created consortium which is jointly owned in equal amounts by Mediacinco Cartera SL, a newco owned by the Italian company Mediaset and its listed Spanish subsidiary Gestevisión Telecinco, Cyrte Fund II B.V., an investment vehicle in which John de Mol has a share, and a Goldman Sachs fund, GS Capital Partners VI Fund.

The total sale price for Endemol Holding is Euro 2.629 billion for 75% of Endemol NV, valued at Euro 25 per share (dividend included) and for the additional assets and liabilities of Endemol Holding and its subsidiaries. This price implies a premium on Endemol's latest closing price and represents a capital gain close to Euro 1.400 billion for Telefónica.

By virtue of the agreement, the Consortium has undertaken to make an unconditional bid for the remaining 25% of Endemol N.V. for a minimum of Euro 25 per share (dividend included), at the first possible moment after the deal has been finalised.

The sale process for Endemol Holding, which commenced on 9 March 2007 when Telefónica announced to the markets its intention to explore alternative strategies in relation to its share in the holding company, has been marked by fiercely competitive bidding. Telefónica has used objective selection criteria based on economic and financial factors.

This agreement is subject to the pertinent administrative authorisations.

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