

## Comisión Nacional del Mercado de Valores

Calle Edison, 4

28006, Madrid.

8 June 2015

### Relevant event

Dear Sirs,

Pursuant to the provisions of Article 82 of Law 24/1988 on Securities Markets and related provisions and in order for this notice to be made available to the public as a relevant event (*hecho relevante*), Grupo Ezentis, S.A. (hereinafter "**Ezentis**" and/or the "**Company**") informs that:

#### **I. Financing for a total amount of EUR 126 million.**

The Company has signed a Commitment Letter with Highbridge Principal Strategies, LLC (the "**Investor**") (for and on behalf of certain funds and/or accounts managed and/or advised by it), by virtue of which the Investor commits to provide Ezentis with financing for a total amount of EUR 126 million with a maturity of 5 years. This Commitment Letter includes an agreed form of financing agreement named "Senior Facilities Agreement" (the "**Financing Agreement**") and is subject to the fulfilment of several conditions thereunder.

The Financing Agreement envisages that the funds will be applied to the following main uses:

- (a) EUR 68,808,000, to be made available on closing date, which will be mainly applied to (i) extend the maturity of the existing debt of the majority of the companies belonging to the Ezentis Group, as well as to (ii) increase the stake Ezentis holds in certain subsidiaries and improve their working capital financing.
- (b) EUR 57,192,000, as committed credit lines which may be used during 2 years in order to fund certain acquisitions or capital expenses, in the framework of the organic and inorganic growth envisaged in the Strategic Plan 2014-2017.

The execution of the Financing Agreement and the subsequent drawdown of the funds under the Financing Agreement will be subject to the fulfilment of certain

standard conditions in this sort of financing transactions, including, among others, the approval of the transaction by the General Shareholders Meeting of the Company and the granting of securities and personal guarantees by certain companies belonging to the Ezentis Group.

By entering into the Financing Agreement, Ezentis will fulfil the following objectives:

- Obtaining the needed capital for the execution of the Strategic Plan 2014-2017 in the framework of a stable financing structure in the long run and avoiding the dilution of shareholders.
- Allowing Ezentis to focus on the execution of the strategic plan and the organic and inorganic growth opportunities it is considering.

Highbridge Principal Strategies is a unit that focuses on private investments within Highbridge Capital Management, an alternative asset management founded in 1992 in New York with over \$26,000 million in assets under management, which belongs to the J.P. Morgan Chase & Co. Group.

## **II. Agreement for the acquisition of 100% of Ability Tecnologia e Serviços S.A.**

The Company has reached an agreement for the acquisition of 100% of the share capital of the Brazilian company Ability Tecnologia e Serviços S.A. (hereinafter "**Ability**") for a total approximate amount of EUR 55.4 million (approximately BRL 195 million). The acquisition is subject to the fulfilment of several conditions precedent, including the approval of the transaction by the General Shareholders Meeting of the Company. If these conditions are fulfilled, the acquisition will be partially financed by means of the Financing Agreement.

Ability is a company founded in São Paulo in 2004, whose main activity is the operation and management of fixed telecommunications networks. It has an annual turnover of EUR 90.8 million and an operating income of EUR 8.6 million in financial year 2014. Upon closing of the transaction, the EBITDA of the prior 12 months will be at least EUR 10.1 million and its net financial debt to EBITDA ratio will be less than 1 times.

With this acquisition Ezentis will strengthen its market position in Brazil in the market for the operation of telecom infrastructures, especially in the area of maintenance of fixed networks as an integral part of its offer for operation and maintenance of networks. Likewise, Ezentis will consolidate its objective of implementation in Brazil envisaged in the 2014-2017 Strategic Plan.



Lastly, considering that the financing and acquisition transactions referred to in this communication and other matter related to those must be submitted to the approval of the General Shareholders Meeting and in order to avoid that an Extraordinary General Shareholders Meeting is held immediately after the Ordinary General Shareholders Meeting convened for 30 June, on first call, and 1 July, on second call, the Board of Directors has also resolved to call off the Ordinary General Shareholders Meeting and to re-convene it, in order to include the items of the agenda corresponding to the approval of such transactions. The Company will communicate the cancellation of the General Shareholders Meeting and the convening of the new one in due course, including the publication of a relevant event communication (*hecho relevante*).

## **Ezentis obtains funding commitment for its 2014-2017 Strategic Plan and announces the acquisition of the company Ability**

- Highbridge Principal Strategies, LLC (for and on behalf of the funds managed and/or advised by it), has committed to fund Ezentis with a maturity of 5 years, subject to the fulfillment of certain conditions, pursuant to a commitment letter entered into by the parties.
- Upon fulfillment of the conditions set out in the commitment letter, Ezentis will raise 68.8 million Euro in loan financing to improve its capital structure.
- Additionally the Company will obtain a 57.2 million Euro credit line for organic and inorganic growth opportunities.
- Ezentis to allocate part of the funds raised for the acquisition of 100% of the share capital of the Brazilian company Ability Tecnologia e Serviços S.A.

**Madrid, June 7th, 2015.** Grupo Ezentis, a leading company servicing the "last-mile" of telecommunications, electricity and water networks, has obtained a commitment to debt financing to complete its 2014-2017 Strategic Plan by means of a commitment letter which includes a 5-year debt financing agreement with Highbridge Principal Strategies, LLC (for and on behalf of funds managed and/or advised by it), subject to the completion of certain conditions. Such funding commitment will not involve changes to the current ownership structure of Ezentis and avoids dilution.

The financing agreement involves a 68.8 million Euro loan granted by the investment funds and accounts managed by Highbridge, which will be used to extend the Group's debt maturity profile, to optimize its capital structure, to increase the Company's ownership stakes in some of its subsidiaries and to improve the terms of its working capital financing.

Additionally, Ezentis has secured a 57.2 million Euro credit line to finance both its organic and inorganic growth opportunities.

Ezentis plans to allocate part of the newly-raised funds for the acquisition of 100% of the share capital of Brazilian company Ability Tecnologia e Serviços S.A., which operates and maintains fixed-line telecommunication networks in, mainly, Sao Paulo.

In 2014 Ability had a turnover of 90.8 million Euros, an operating income of 8.6 million Euro as of end-2014 and a financial debt/EBITDA ratio of 0.5. In any event, upon closing of the acquisition, the EBITDA of the prior 12 months will be at least 10.1 million Euro and its net financial debt to EBITDA will be less than 1 times.

According to Ezentis' Executive Chairman, Manuel García-Durán, *"As a result of this agreement, Ezentis will achieve a stable and long-term funding structure that will enable the Company to face the future with optimism. As of today, the Company has got the necessary capital to achieve the goals of its 2014-2017 Strategic Plan".* To this regard, García-Durán adds that *"the expected acquisition of Ability Tecnologia e Serviços S.A. will allow us to strengthen our presence in Brazil, a key market for the Group".*

Highbridge Principal Strategies is the specialized private investment unit of Highbridge Capital, a New York based investment management firm founded in 1992 that manages 26 billion dollars and is part of the J.P. Morgan Chase & Co Group. Inclusive of the Ezentis transaction, Highbridge Principal Strategies has committed over 400 million euros of capital to the Iberian market in the last three years.

**About Ezentis**

Ezentis is a Spanish industrial services group listed in the Madrid and Bilbao stock exchanges; it has more than 9,000 employees and has annual revenues of over 250 million Euros. Ezentis' business focuses on operating and maintaining the "last-mile" of infrastructure networks, reaching every home via telecommunications, electricity and water providers. Ezentis is a global company servicing more than 15 million homes and more than 95 million mobile users in Argentina, Chile, Peru, Brazil, Colombia, Panama, Jamaica and Haiti.

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