EUSKALTEL, S.A.

Financial Statements
for the years ended
31 December 2013 and 2014

(With Independent Auditor's Report
Thereon)

KPMG Auditores S.L.
Torre Iberdrola
Plaza Euskadi, 5
Planta 7ª
48009 Bilbao

Independent Auditors' Report in accordance with International Standards on Auditing

To the Shareholders of
Euskaltel, S.A. as requested by the Board of Directors

We have audited the accompanying financial statements of Euskaltel, S.A. ("the Company"), which comprise the balance sheets as at 31 December 2014 and 2013, the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Director's Responsibility for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-UE), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give, in all material respects, a true and fair view of the financial position of Euskaltel, S.A. as at 31 December 2014 and 2013, and of its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

KPMG Auditors S.L., a limited liability Spanish company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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Tax identification number (N.I.F.): B-7851

Other Matter

As indicated in notes 2.1 and 21, the accompanying financial statements have been prepared on a voluntary basis within the context of an eventual public listing of Euskaltel, S.A. and have been audited in accordance with International Standards on Auditing. The preparation of individual financial statements in accordance with International Financial Reporting Standards adopted by the European Union is not contemplated in company law in force in Spain, and therefore this report is not to be understood, in any case, as an audit report subject to the Spanish Revised Audit Law approved by Royal Legislative Decree 1/2011 of 1 July 2011. On 1 June 2015 and 28 April 2014 we issued our audit reports on the annual accounts of Euskaltel, S.A. prepared as required by Spanish company law, for each of the years ended 31 December 2014 and 2013, respectively, in which we expressed unqualified opinions.

KPMG Auditores, S.L.

Enrique Asla García

1 June 2015

Miembro ejerciente:
KPMG AUDITORES, S.L.

Año 2015 Nº 03/15/02296
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Informe sujeto a la tasa establecida en el artículo 44 del texto refundido de la Ley de Auditoría de Cuentas, aprobado por Real Decreto Legislativo 1/2011, de 1 de julio

Financial Statements for the years ended 31 December 2013 and 2014

EUSKALTEL, S.A.

Balance Sheets at 31 December 2013 and 2014

(Expressed in thousands of Euros)

ASSETS	Notes	31.12.14	31.12.13
NON-CURRENTE ASSETS		921,542	973,003
Intangible assets	5	22,552	20,382
Property, plant and equipment	6	743,737	787,998
Financial assets	7	6,332	3,872
Derivative financial instruments	11	-	92
Deferred tax assets	14	148,921	160,659
CURRENT ASSETS		56,785	48,759
Inventories	8	2,313	2,202
Trade receivables	7	39,329	39,395
Other current assets		4,493	873
Cash and cash equivalents	9	10,650	6,289
TOTAL ASSETS		978,327	1,021,762

EQUITY AND LIABILITIES	Notes	31.12.2014	31.12.2013
EQUITY	10	647,490	614.613
Capital		379,613	379,613
Share premium		79,390	79,390
Retained earnings		193,034	156,251
Other comprehensive income / (loss)		(4,547)	(641)
NON-CURRENT LIABILITIES		212,949	223,829
Long-term borrowings and other	4,11	194,554	220,073
Derivative financial instruments	4,11	6,226	893
Other non-current liabilities	12	12,169	2,837
Deferred tax liabilities	14	-	26
CURRENT LIABILITIES		117,888	183,320
Short-term borrowings	4,11	49,206	106,977
Trade and other payables	4,13	58,749	60,989
Current income tax payable		-	2,463
Other current liabilities		9,933	12,891
TOTAL		978,327	1,021,762

Notes 1 to 22 are an integral part of these financial statements

Derio, 1 June 2015

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EUSKALTEL, S.A.

Income Statements for the years ended 31 December 2013 and 2014

(Expressed in thousands of Euros)

	Notes	2014	2013
Revenues	15	315,109	329,148
Other income		331	559
Work performed by the entity and capitalized	5, 6	5,721	5,184
Supplies	15	(71,524)	(73,018)
Personnel expenses	15	(30,318)	(34,379)
Other operating expenses	15	(64,612)	(70,946)
Depreciation, amortisation and impairment	5, 6	(81,508)	(83,243)
RESULTS FROM OPERATING ACTIVITIES		73,199	73,305
Finance income	15	179	234
Finance costs	15	(23,443)	(16,173)
NET FINANCE COST		(23,264)	(15,939)
PROFIT BEFORE INCOME TAX		49,935	57,366
Income tax	14	(13,152)	(15,072)
PROFIT FOR THE YEAR	10	36,783	42,294
Earnings per share:	16		
Basic earnings per share in €		5.81	6.68
Diluted earnings per share in €		5.81	6.68

Notes 1 to 22 are an integral part of these financial statements

Derio, 1 June 2015

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EUSKALTEL, S.A.

Statements of Comprehensive Income for the years ended 31 December 2013 and 2014

(Expressed in thousands of Euros)

	Notes	2014	2013
Profit for the year	10	36,783	42,294
Items that are or may be reclassified to profit and loss :			
Total income and expense recognised directly in equity		(4,787)	(995)
Cash flow hedges		(6,649)	(1,381)
Tax effect		1,862	386
Total amounts transferred to the income statement		881	418
Cash flow hedges		1,224	580
Tax effect		(343)	(162)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		32,877	41,717

Notes 1 to 22 are an integral part of these financial statements

Derio, 1 June 2015

EUSKALTEL, S.A.

Statements of Changes in Equity for the years ended 31 December 2013 and 2014

(Expressed in thousands of Euros)

	Capital	Share premium	Retained earnings	Other comprehensive income / (loss)	TOTAL
Opening balance 2013	379,613	79,390	113,957	(64)	572,896
Total recognised income / (expense)	-	-	42,294	(577)	41,717
Closing balance 2013	379,613	79,390	156,251	(641)	614,613
Total recognised income / (expense)	-	-	36,783	(3,906)	32,877
Closing balance 2014	379,613	79,390	193,034	(4,547)	647,490

Notes 1 to 22 are an integral part of these financial statements

Derio, 1 June 2015

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EUSKALTEL, S.A.

Statements of Cash Flows for the years ended 31 December 2013 and 2014

(Expressed in thousands of Euros)

	Notes	2014	2013
Profit for the year before tax		49,935	57,366
Cash flows from operating activities			
Adjustments		105,501	97,335
Amortisation and depreciation	5,6	81,508	83,243
Allowances	4.2,8	1,018	1,435
Gains on disposal of property plant and equipment		(289)	(178)
Other income and expenses	15	-	(3,064)
Finance income	15	(179)	(224)
Finance costs	15	23,434	16,133
Exchange gains/(losses)		9	(10)
Changes in operating assets and liabilities		(12,581)	1,049
Decrease in inventories		886	2,037
Increase in trade and other receivables		(3,863)	(1,198)
Increase/(decrease) in trade and other payables		(9,604)	210
Other cash flows from operating activities		(16,497)	(14,173)
Interest paid		(14,148)	(14,317)
Dividends received		-	129
Interest received		36	15
Income tax paid		(2,385)	-
Net cash flows from operating activities		126,358	141,577
Cash flows from investing activities			
Acquisition of other investments		(1,196)	(1,981)
Acquisition of intangible assets		(15,786)	(12,805)
Acquisition of property, plant and equipment		(20,600)	(35,122)
Proceeds from sale of other investments		335	7
Net cash used in investing activities		(37,247)	(49,901)
Cash flows from financing activities			
Proceeds from issue of loans and borrowings		23,353	83,167
Repayment of loans and borrowings		(108,033)	(168,781)
Other		(70)	-
Net cash used in financing activities		(84,750)	(85,614)
Cash and cash equivalents at beginning of year		6,289	227
Cash and cash equivalents at year end		10,650	6,289
NET CASH INCREASE IN CASH AND CASH EQUIVALENTS		4,361	6,062

Notes 1 to 22 are an integral part of these financial statements

Derio, 1 June 2015

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EUSKALTEL, S.A.

NOTES TO THE FINANCIAL STATEMENTS FOR 2013 AND 2014

(Expressed in thousands of Euros)

NOTE 1.- General Information

Euskaltel, S.A. (hereinafter the Company) was incorporated with limited liability on 3 July 1995. Its first product was launched in the market on 23 January 1998. Its registered office is located in Derio (Bizkaia) and its products are mainly sold in the Autonomous Region of the Basque Country.

The Company's statutory and principal activity since its incorporation consists of the rendering, management, installation, operation and marketing of telecommunications networks and services in accordance with prevailing legislation, as well as the marketing and sale of goods required to carry out these services. The Company's main facilities are located at the Bizkaia technology park.

NOTE 2.- Basis of Presentation

2.1 Fair presentation

The accompanying financial statements have been prepared on the basis of the accounting records of Euskaltel, S.A. The financial statements for the years 2013 and 2014 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS-EU) and IFRIC interpretations, to present fairly the equity and financial position of Euskaltel, S.A. at 31 December 2013 and 2014 and the results of operations and changes in equity and cash flows of the Company for the years then ended. First application of IFRS-EU was carried out at 1 January 2011 in the 2012 Financial Statements prepared under IFRS-EU.

The directors have prepared the accompanying financial statements for the purpose of a potential listing on the Madrid stock exchange. Annual accounts for each of the years ended 31 December 2013 and 2014 have been also prepared under accounting principles applicable in Spain as required for statutory purposes by prevailing legislation.

2.2 Critical issues regarding the valuation and estimation of uncertainties

Preparation of the financial statements in accordance with IFRS-EU requires the use of certain critical accounting estimates and management judgements concerning the future. These are evaluated constantly and based on historical experience and other factors, including expectations of future events and, where applicable, the justified opinion of renowned experts.

In the event that the final outcome of the estimates differed from the amounts initially recognised, or information that would modify these estimates became available, the effects of any changes in the initial estimates are accounted for in the year they are known.

The estimates and judgements that present significant risk of a material adjustment to the carrying amounts of assets and liabilities in the subsequent reporting period are as follows:

a) Corporate income tax and deferred tax assets

A major degree of judgement is required to determine the provision for income tax. There are many transactions and calculations for which the ultimate determination of the tax is uncertain during the ordinary course of business. Tax is calculated based on Management's best estimates in accordance with the current situation as regards tax legislation and taking into account expected developments in this area in the different legislations applied to the Company.

Deferred tax assets are recognised for all unused tax loss carryforwards, deductible temporary differences and available deductions to the extent that it is probable that sufficient taxable income will be available against which these assets can be utilised. In order to determine the amount of the deferred tax assets to be recognised, estimates are made of the amounts and dates on which future taxable profits will be obtained and the reversal period of temporary differences.

b) Useful lives and impairment of assets

The Company determines the estimated useful lives and related amortisation and depreciation charges of assets based on the actual decline in value due to operation and use. The Company increases amortisation and depreciation charges if the useful lives are shorter than previously estimated and writes down or writes off technically obsolete or non-strategic assets that have been abandoned or sold, or when circumstances indicate that their carrying amount might not be recoverable.

c) Measurements of fair values

A number of the Company´s accounting policies and disclosures require the measurement of fair value, both for financial and non-financial assets and liabilities. When measuring the fair value of an asset or liability, the Company uses market observable data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the fair value techniques, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For further information about the assumptions made in measuring fair values please refer to Note 4.1.

d) Share based payments

As stated in note 12, Euskaltel, S.A. has granted to their key management employees a share based payment, the calculation of which is based on the appreciation of the Company's shares and the length of the vesting period. Expenses relating to share-based payments are recognised in the income statement during the period between the concession date and the exit event date, which is subject to an important degree of judgment. The Company is in a process of stock flotation circumstance that could affect the length of this period.

NOTE 3.- Accounting Principles

3.1 Intangible assets

a) Computer software

Computer software mainly reflects the acquisition and development of software applications, which are recognised at cost and amortised on a straight-line basis over their estimated useful life of between three and five years.

Computer software maintenance costs are charged as expenses when incurred.

b) Licences

Licences are carried at cost less accumulated amortisation and any recognised impairment.

Licences are amortised on a straight-line basis over the term they are granted.

If the favourable situation that enabled expenses required to obtain the licence to be capitalised were to change, the portion pending amortisation is taken to profit or loss in the year the situation changed.

c) Other intangible assets

Other intangible assets include incremental and specific costs incurred and related to contracts in which customers undertake to remain with the Company for a specified period of time, and which are amortised on a straight-line basis over the specified period.

3.2 Property, plant and equipment

Property, plant and equipment are recognised at cost of acquisition or production, less accumulated depreciation and recognised accumulated impairment losses, where applicable.

Costs incurred to extend, modernise or improve property, plant and equipment are only recorded as an increase in the value of the asset when the capacity, productivity or useful life of the asset is increased, and provided that the carrying amounts of the items that are being replaced are known or can be reasonably estimated.

Recurring maintenance costs are charged to the income statement during the year in which they are incurred.

Depreciation of property, plant and equipment, with the exception of land, which is not depreciated, is calculated systematically on a straight-line basis over the estimated useful lives of the assets based on the actual decline in value due to operation and use.

The estimated useful lives of property, plant and equipment are as follows:

	Years
Buildings	50
Civil engineering	50
Cablings	18-40
Network equipment	10-18
Client equipment	2-15
Other installations, equipment and furniture	6-7
Other assets	5-8

The Company reviews the useful lives of the assets, as well as their classification as under construction, and makes any necessary adjustments at each reporting date. However, taking into consideration the projected utilization of the Company's fixed assets, the residual value is not expected to be significant at the closing date.

Finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognised as an expense.

3.3 Impairment losses on non-financial assets

The Company evaluates whether there are indications of possible impairment losses on non-financial assets subject to amortisation or depreciation in order to verify whether the carrying amounts of these assets exceed their recoverable amounts. The recoverable amount is the higher of the fair value less costs to sell and the value in use.

Impairment losses are recognized in the income statement.

The recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the

recoverable amount is determined for the cash-generating unit to which the asset belongs.

At the end of each reporting period, the Company assesses whether there is any indication that an impairment loss recognized in prior periods may no longer exist or may have decreased. Impairment losses are only reversed if there has been a change in the estimates used to calculate the recoverable amount of the asset.

A reversal of an impairment loss is recognized in the income statement. The increased carrying amount of an asset attributable to a reversal of an impairment loss may not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

A reversal of an impairment loss for a cash-generating-unit is allocated to the non-current assets of each unit, pro rata with the carrying amounts of those assets. An assets' carrying amount may not be increased above the lower of its recoverable amount and the carrying amount that would have been disclosed, net of amortisation or depreciation, had no impairment loss been recognised.

After an impairment loss or reversal of an impairment loss is recognised, the depreciation/amortisation charge for the asset is adjusted in future periods based on its new carrying amount.

However, if the specific circumstances of the assets indicate an irreversible loss, this is recognised directly in losses on the disposal of fixed assets in the income statement.

3.4 Inventories

Inventories are initially measured at the lower of cost (whether cost of acquisition or production) and net realisable value, and any related impairment losses or reversals are recognised in the income statement.

Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

3.5 Financial assets

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

These financial assets are initially carried at fair value, including directly attributable transaction costs, and are subsequently measured at amortised cost, recognising accrued interest at the effective interest rate, which is the discount rate that matches the instrument's carrying amount to all estimated cash flows to maturity. Nevertheless, trade receivables falling due in less than one year are carried at their face value at both initial recognition and subsequent measurement, provided the effect of discounting is immaterial.

An impairment loss is calculated as the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective interest rate upon initial recognition. Impairment losses are recognised and reversed in profit or loss. Amounts covered by the allowance account are derecognised when their recovery is no longer expected by the Company.

b) Derecognition of financial assets

A financial asset is derecognised from the balance sheet if all the risks and rewards of ownership are substantially transferred.

3.6 Cash and cash equivalents

This heading includes cash, current bank accounts and deposits, and if appropriate, deposits and temporary acquisitions of assets which meet the following requirements:

- They are convertible into cash.
- On acquisition, they mature in less than three months.

- They are not subject to significant value fluctuation risk.
- They form part of the Company's normal cash management policy.

Bank overdrafts, if they arise, are included in borrowings in current liabilities on the balance sheet.

3.7 Financial liabilities

Debts and payables are initially recognised at fair value, adjusted for directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest method. The effective interest rate is the discount rate that matches the instrument's carrying amount with the expected future flow of payments to the maturity date of the liability.

Nevertheless, trade payables falling due in less than one year without a contractual interest rate are carried at their face value on both initial recognition and subsequent measurement, provided the effect of discounting is not significant.

3.8 Hedge accounting

Derivative financial instruments which qualify for hedge accounting are initially measured at fair value, plus any transaction costs that are directly attributable to the acquisition.

At the inception of the hedge the Company formally designates and documents the hedging relationships and the objective and strategy for undertaking the hedges. Hedge accounting is only applicable when the hedge is expected to be highly effective at the inception of the hedge and throughout the period for which the hedge was designated. A hedge is considered to be highly effective if at inception and during its life, changes in fair value or cash flows attributable to the hedged risk are prospectively expected to be offset almost entirely by changes in the fair value or cash flows of the hedging instrument, and that, retrospectively, gains or losses on the hedging transaction have been within the range of 80% and 125% with respect to those of the hedged item.

The Company provisionally recognises the portion of the gain or loss on the measurement at fair value of a hedging instrument that is determined to be an effective hedge in income and expense recognised in equity, which is then transferred to the income statement in the year or years in which the hedge affects profit or loss. Cash flows from the hedging instrument are recognised under the same income statement heading as the hedged item. The ineffective portion of the hedge is recognised under change in fair value of financial instruments.

3.9 Current and deferred taxes

The income tax expense or tax income is recognised in the income statement each year, calculated based on the pre-tax profits disclosed in the financial statements, adjusted for permanent differences with tax criteria. If the tax income or expense is related with an income or expense recognised directly in equity, it is also recognised against equity. Deferred tax assets and liabilities arising from temporary differences deriving from the application of tax criteria in the recognition of income and expenses, are recognised in the balance sheet until they are reversed.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets and unused tax credits in respect of loss carryforwards are only capitalised when their future realisation is considered probable.

Deferred tax is measured at the tax rates expected to be applied to temporary differences when they reversed, using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to

income taxes levied by the same taxation authority on either the same or different taxable entities where there is an intention to settle the balances on a net basis.

3.10 Share-based payment transactions

Services received in cash-settled share-based payment transactions which require compliance with a certain service condition, are recognised in the income statement during that period. These services are initially measured at fair value of the liability at the date the requirements for their recognition are met.

The liability is subsequently measured until settlement at its fair value at each year-end, and any changes in value taking place during the year are taken to profit or loss. Accrued expenses arising from share-based payment obligations are recognised in accordance with the nature of the expense, whereas adjustments arising from revaluations are recognised as finance costs. The appreciation in the value of the shares that has determined the need to recognise the expenses relating to the plans awarded in 2013 and 2014 (see note 12) comes mainly from revaluations brought about by the situation of the telecommunications sector; consequently, these expenses have been recognised under finance costs.

3.11 Provisions and contingent liabilities

Provisions are recognised, where applicable, when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Provisions expiring in one year or less, the financial effect of which is immaterial, are not discounted.

3.12 Revenue recognition

a) Revenue

The Company's main source of revenue comes from the individual or combined rendering of fixed telephony services, pay television, broad-band internet services and mobile telephony services to retail customers and large accounts and corporations.

Commercial packages that combine different elements are analysed to determine whether it is necessary to separate the different elements identified. Revenue is allocated to the different components in accordance with their fair value.

Both fixed and mobile traffic is recognised as revenue as the service is provided. Tariffs are based on an initial call establishment fee, plus a variable fee based on call length and distance.

If traffic or other services are sold at a fixed rate for a determined time period (flat rate), revenue is recognised on a straight-line basis over the time period covered.

Periodic charges for use of the network (telephony, internet and television) are credited to the income statement on a straight-line basis over the period to which they relate.

In the case of prepaid mobile telephony, the amount of unused credit is recognised as deferred income until it is consumed or, where applicable, ultimately cancelled.

Rentals and other services are credited to the income statement as the service is provided.

Revenue from sale of handsets and set top boxes is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery date.

Costs of acquiring customers, such as handsets provided at no cost to the customer or heavily discounted in order to attract and retain customers, are recognised as an expense when the handset is delivered to the customer.

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b) Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount.

3.13 Leases

Leases in which the lessor retains substantially all the risks and rewards incidental to ownership are classified as operating leases. Operating lease payments are recognised in profit or loss on a straight basis during the lease term.

3.14 Foreign currency transactions

a) Functional and presentation currency

Except where otherwise stated, the figures disclosed in the financial statements are expressed in thousands of Euros, the Company's functional currency.

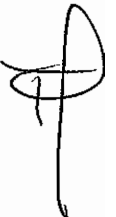
b) Foreign currency transactions and balances

Transactions in foreign currency are translated at the foreign exchange rate prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of transactions and translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currency are recognised in the income statement as finance income or cost.

3.15 Standards issued but not yet adopted

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017 with early adoption permitted.

3.16 Cash Flow Statement



The following terms are used in the cash flow statement with the meanings specified:

- Cash flows. Inflows and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.
- Operating activities. The principal revenue-producing activities of Euskaltel and other activities that are not investing or financing activities.
- Investing activities. Activities of acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.
- Financing activities. Activities that result in changes in the size and composition of the equity and borrowings that are not operating activities.

3.17 Segment reporting

The operating segments are presented consistent with a management approach, in accordance with the information used internally at the highest decision-making level. The maximum authority for decision making is responsible for assigning resources to operating segments and evaluating the segments' performance. Segment reporting can be found in Note 17.

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NOTE 4.- Financial Instruments - Fair Values and Risk Management

4.1 Accounting classification and fair value

The main financial assets held by the Company comprise trade receivables and cash and cash equivalents. Trade receivables, which are valued at amortised cost, fall due in the short term, so there are no significant differences between their carrying amount and their fair value. Furthermore, the table below shows the carrying amounts and fair values of financial liabilities, including their levels in the fair value hierarchy.

	Level	31.12.14	31.12.13
Financial liabilities measured at amortized costs			
Loans and borrowing	2	243,723	326,980
Other financial liabilities		37	70
Trade and other payables		58.749	60.989
		302,509	388,039
Financial liabilities measured at fair value			
Hedging instruments	2	6,226	893

The fair value of loans and borrowings is estimated by discounting contractual future cash flows at the current market interest rate available to the Company for similar financial instruments. The carrying amounts of trade and other payables are assumed to be similar to their fair values.

Fair value of hedging instruments which mainly consist of interest rate swaps is determined using discounted cash flow techniques and future interest rate curves determined using observable market data.

4.2 Financial risk management

The Company's activities are exposed to various financial risks: credit risk, liquidity risk and market risk (including currency risk and fair value interest rate risk). The Company's global risk management programme focuses on uncertainty in the financial markets and aims to minimise potential adverse effects on the Company's performance.

The Company uses financial risk evaluation and mitigation methods suited to its activity and scope of operations, which are sufficient for the adequate management of risks.

A summary of the main financial risks affecting the Company, as well as the measures in place to mitigate these risks, is as follows:

- Credit risk
- Liquidity risk
- Market risk, currency risk and interest rate risk

This note presents information about the Company's exposure to each of the above risks, objectives, policies and procedures of the Company for measuring and managing risk and capital management by the Company.

Risk management framework

It is the responsibility of the Board of Directors to establish and oversee the risk management structure of the Company.

Compliance with the budget is reviewed periodically, analyzing the degree of implementation, evaluating deviations and proposing corrective measures. In this process, the managers of the various business units are involved.

The risk management policy of the Company is established in order to identify and analyze the risks assumed by the Company, set limits and appropriate risk controls, and to monitor risks and adherence to limits. Regularly, policies and risk management systems are reviewed in order to reflect changes in market conditions and the activities of the Company. The Company, through its rules and administrative procedures, aims to develop an environment of disciplined and constructive control in which all employees understand their roles and obligations.

For the development and control of the risks of the business processes, the Company has appointed an Internal Audit Manager to centralise the coordination of the teams that perform analysis and monitoring of business performance and operational problems of the different business units.

Internal Audit management reports directly to the Audit and Control Committee within the Board of Directors. This committee establishes the policies for the management and control of business risks.

To mitigate the above mentioned risks, the Company, at all times, has an active attitude to exogenous factors. The various departments of the Company may be affected by these factors produce specific action programs, such as those to comply with changes in national or international regulations.

The evolution of markets and changes in consumer habits are factors to which special attention is given, with departments in charge of relevant studies and analysis, relying on external collaborations in the field of market research.

The program's overall risk management of the Company is focused on minimizing the uncertainty in financial markets and the potential adverse effects on the financial performance of the Company. The Company uses derivatives to hedge certain risks.

a) Credit risk

Credit risk is the risk of financial loss that the Company faces if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises mainly in accounts receivable of the Company.

The Company considers customer credit risk to be mitigated by the application of different policies and specific practices to this effect, and the high level of dispersion of receivables. Among the different policies and specific practices implemented is the customer acceptance scoring policy, the long-term monitoring of customer credit, which reduces the possibility of default of significant receivables, and debt collection management.

Details of the Company's ageing analysis of trade receivable past-due but not impaired at 31 December 2014 and 2013 is as follows:

	31.12.14	31.12.13
Neither past due nor impaired	21,741	23,837
Past due 1-30 days	15,807	11,771
Past due 31-90 days	959	1,014
Past due 91-180 days	274	507
Past due 181-365 days	548	2,266
Total	39,329	39,395

The Company records an impairment of trade and other receivables by adding to the total amount of balances that have exceeded a minimum period determined in accordance with pertinent legislation applicable to the sector, a percentage of past-due balances that do not exceed the aforementioned minimum period, estimated using historical data on the recovery of Company balances, as it considers that the application of this criterion represents a reasonable estimate of the impairment of the aforementioned financial assets.

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Movement in the allowance account of trade and other receivables is as follows:

	31.12.14	31.12.13
Opening balance	16,383	21,679
Allowance account for impairment of trade receivables	2,014	1,848
Bad debts written off	(4,702)	(7,144)
Closing balance (Note 7)	13,695	16,383

Impairment of trade receivables is recognised and reversed under other operating expenses in the income statement. Management believes that the unimpaired amounts that are past due are still collectible based on historical payment behaviour and extensive analysis of customer credit risk. The Company does not have significant concentrations of credit risk.

The Company has cash and cash equivalents at 31 December, 2014 of Euros 10,650 thousand (Euros 6,289 thousand euros at December 31, 2013). Cash and cash equivalents are maintained with banks and financial institutions of high credit rating.

b) Liquidity risk

Liquidity risk is the risk that the Company would have difficulty meeting its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Company's approach to managing liquidity is to ensure, to the greatest extent possible, that it would always have sufficient liquidity to meet its obligations when due, under both normal and stressed conditions, without incurring unacceptable losses or putting the reputation of the Company at risk.

The Company adjusts the maturities of its debts to its capacity to generate cash for settlement.

To do this, the Company implements three-year financing plans, which are reviewed annually, and analyses of financial position every week, which include long-term projections, together with a daily monitoring of bank balances and transactions.

Therefore, although the Company's working capital, defined as the difference between current assets and current liabilities (maturing in less than 12 months in both cases), is negative, this is due to the normal business activity, in which the average collection period is lower than the average payment period, which is normal for the sector in which the Company operates.

The following are the contractual maturities of long term financial liabilities, including estimated interest:

	31 December 2014						
	Book value	2016	2017	2018	2019	Thereafter	Total
Long-term borrowings	194,554	58,573	56,769	54,513	52,256	25,601	247,712
Third parties	84,513	43,599	45,504	-	-	-	89,103
Related parties	110,004	14,974	11,265	54,513	52,256	25,564	158,572
Other	37	-	-	-	-	37	37
Hedging instruments	6.226	2,380	1,907	1,245	622	156	6,310
Third parties	1,105	813	317	-	-	-	1,130
Related parties	5,121	1,567	1,590	1,245	622	156	5,180
Total	200,780	60,953	58,676	55,758	52,878	25,757	254,022

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	31 December 2013						
	Book value	2015	2016	2017	2018	Thereafter	Total
Long-term borrowings	**220,073**	**59,678**	**58,735**	**56,890**	**54,597**	**77,906**	**307,806**
Third parties	115,587	35,687	43,652	45,520	-	-	124,859
Related parties	104,416	23,987	15,074	11,361	54,588	77,867	182,877
Other	70	4	9	9	9	39	70
Hedging instruments	**893**	**255**	**246**	**180**	**106**	**66**	**853**
Third parties	331	136 -	112 -	44 -	- -	-	292
Related parties	562	119 -	134 -	136 -	106 -	66	561
Total	**220,966**	**59,933**	**58,981**	**57,070**	**54,703**	**77,972**	**308,659**

The Company has a bank loan (note 11) which contains a covenant, the breaching of which would require repayment earlier than indicated in the above tables. Furthermore, the interest payments on variable interest rate loans in the tables above have been calculated on the basis of conditions existing at the end of each reporting period.

The Company's credit facilities have a total limit of Euros 120 million at 31 December 2014 (Euros 110 million in 2013), of which Euros 120 million remains undrawn at that date (Euros 87 million in 2013). This limit includes a Euros 80 million current account credit facility obtained from Kutxabank on 19 December 2012 to ensure the Company working capital requirements, and which falls due on 30 December 2018.

c) Market risk, currency risk and interest rate risk

Market risk is the risk that changes in market prices would affect the Company's income or the value of financial instruments held. The objective of market risk management is to manage and control risk exposures within acceptable parameters, while optimizing the return.

The Company's ambit of operations barely exposes it to currency or price risks, which may arise from occasional purchases in foreign currency of insignificant amounts.

Interest rate risk arises mainly from the loans granted by banks and related parties at variable rates which expose the Company to variability on future cash flows.

The Company manages interest rate risk on cash flows using rate swaps variable to fixed interest. These interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates.

The interest rate profile of long-term borrowings, measured at their outstanding principals due, is as follows:

	31.12.14	31.12.13
Fixed interest rate instruments	-	-
Variable interest rate instruments	247,500	309,332
	247,500	**309,332**

At 31 December 2014 an upturn in interest rates of 100 basis points, with other variables held constant, would have decreased the result after tax Euros 2,475 thousands (Euros 3,093 thousand in the year ended December 31, 2013).

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NOTE 5.- Intangible Assets

Details of intangible assets and movement are as follows:

	Industrial property	Computer software	Licences	Other	Total
GROSS AMOUNT					
Balance at 31.12.12	91	46,507	2,674	905	50,177
Additions	6	4,400	-	8,399	12,805
Retirements	-	-	-	(12,403)	(12,403)
Transfers	-	-	-	13,429	13,429
Balance at 31.12.13	97	50,907	2,674	10,330	64,008
Additions	6	7,895	-	7,885	15,786
Retirements	-	(185)	-	(7,451)	(7,636)
Balance at 31.12.14	103	58,617	2,674	10,764	72,158
ACCUMULATED AMORTISATION					
Balance at 31.12.12	(59)	(30,970)	-	(596)	(31,625)
Additions	(14)	(4,916)		(9,982)	(14,912)
Retirements	-	-	-	12,403	12,403
Transfers	-	-	-	(6,818)	(6,818)
Balance at 31.12.13	(73)	(35,886)	-	(4,993)	(40,952)
Additions	(14)	(5,324)	-	(8,278)	(13,616)
Retirements	-	185	-	7,451	7,636
Balance at 31.12.14	(87)	(41,025)	-	(5,820)	(46,932)
PROVISION FOR IMPAIRMENT					
Balance at 31.12.12	-	-	(2,674)	-	(2,674)
Additions	-	-	-	-	-
Balance at 31.12.13	-	-	(2,674)	-	(2,674)
Additions	-	-	-	-	-
Balance at 31.12.14	-	-	(2,674)	-	(2,674)
NET VALUE					
Balance at 31.12.12	32	15,537	-	309	15,878
Balance at 31.12.13	24	15,021	-	5,337	20,382
Balance at 31.12.14	16	17,592	-	4,944	22,552

The cost of fully amortised intangible assets in use at 31 December 2014 totals Euros 27.6 million (Euros 23.7 million in 2013).

In 2014, Euros 3.2 million related to software development activities have been capitalised (2013 Euro 2.7 million).

The Company has contracted sufficient insurance policies to cover the risk of damage to its intangible assets.

In 2014 costs of Euros 3.2 million relating to own staff costs have been capitalised (Euros 2.7 million in 2013).

NOTE 6.- Property, Plant and Equipment

Details of property, plant and equipment and movement are as follows:

	Land and buildings	Civil engineering	Cabling	Network equipment	Client equipment	Other installations, equipment and furniture	Under construction and advances	Other property, plant and equipment	Total
GROSS AMOUNT									
Balance at 31.12.12	133,540	253,504	263,939	337,804	236,511	143,861	17,071	25,042	1,411,272
Additions	-	-	-	-	-	-	28,727	-	28,727
Transfers	36	4,798	4,937	8,099	15,129	1,841	(35,383)	543	-
Balance at 31.12.13	133,576	258,302	268,876	345,903	251,640	145,702	10,415	25,585	1,439,999
Additions	-	-	-	-	-	-	26,424	-	26,424
Disposals	(9)	-	(4)	(669)	(52)	(193)	(2,629)	(4,090)	(7,646)
Transfers	190	1,352	3,101	10,026	10,960	1,732	(27,856)	495	-
Balance at 31.12.14	133,757	259,654	271,973	355,260	262,548	147,241	6,354	21,990	1,458,777
ACCUMULATED AMORTISATION									
Balance at 31.12.12	(11,185)	(47,402)	(112,842)	(196,255)	(141,349)	(56,342)	-	(18,295)	(583,670)
Additions	(4,657)	(5,212)	(11,035)	(23,448)	(13,097)	(9,215)		(1,667)	(68,331)
Balance at 31.12.13	(15,842)	(52,614)	(123,877)	(219,703)	(154,446)	(65,557)	-	(19,962)	(652,001)
Additions	(4,658)	(5,327)	(10,696)	(23,103)	(13,599)	(9,353)	-	(1,156)	(67,892)
Disposals	2	-	1	614	11	193	-	4,032	4,853
Balance at 31.12.14	(20,498)	(57,941)	(134,572)	(242,192)	(168,034)	(74,717)	-	(17,086)	(715,040)
NET VALUE									
Balance at 31.12.12	122,355	206,102	151,097	141,549	95,162	87,519	17,071	6,747	827,602
Balance at 31.12.13	117,734	205,688	144,999	126,200	97,194	80,145	10,415	5,623	787,998
Balance at 31.12.14	113,259	201,713	137,401	113,068	94,514	72,524	6,354	4,904	743,737

In 2014 the Company has capitalised Euros 215 thousand in finance costs (Euros 147 thousand in 2013) deriving from external financing obtained to roll-out the network, calculated using a capitalisation rate of 4.05% in 2014 (2013: 3.35%), equivalent to the average effective cost of the external financing during the year.

In 2014 costs of Euros 2.5 million relating to network roll-out activities have been capitalised (Euros 2.4 million in 2013).

The cost of fully depreciated property, plant and equipment in use at 31 December 2014 is Euros 248.6 million (Euros 221.6 million in 2013).

At 31 December 2013 and 2014 there are no items of property, plant and equipment pledged to secure financial liabilities and sufficient insurance policies have been taken out to cover the risk of damage to property, plant and equipment.

In 2014, certain assets with a net cost of Euros 2.8 million have been disposed of, generating profits of Euros 0.3 million on the sale (no gains/losses in 2013).

NOTE 7.- Financial Assets and Trade Receivables

7.1 Financial assets

Breakdown of financial asserts is shown below:

	31.12.14	31.12.13
Equity investments	8	32
Loans to key management personnel (note 12)	2,686	1,941
Loans granted to third parties	2,506	781
Other long-term investments	1,132	1,118
	6,332	3,872

7.2 Trade receivables

Details of the amounts included under this caption are shown below:

	31.12.14	31.12.13
Gross amount	53,024	55,778
Impairment	(13,695)	(16,383)
Total	39,329	39,395

The accounts receivable are stated at their nominal value, which does not differ significantly from their fair value, based on the related cash flows discounted at market rates.

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NOTE 8.- Inventories

	31.12.14	31.12.13
Customer terminals and equipment	1,627	2,314
Mobile phones	1,421	985
Digital television decoders	206	1,329
Contract materials	1,716	1,754
Other inventories	80	241
Total gross amount	3,423	4,309
Impairment losses on inventories	(1,110)	(2,107)
Total	2,313	2,202

The Company has contracted sufficient insurance coverage for the risk of damage to inventories.

NOTE 9. Cash and Cash Equivalents

	31.12.14	31.12.13
Cash	1,739	1,292
Cash equivalents	8,911	4,997
Total	10,650	6,289

At 31 December 2014 and 2013 the balances of cash equivalents reflect the Company's financial instruments convertible to cash with a maturity of less than three months since their acquisition.

NOTE 10.- Equity

10.1 Capital

At 31 December 2014 and at 31 December 2013 the subscribed capital of the Company is represented by 6,326,890 registered shares of Euros 60 par value each, with the same rights and obligations, subscribed and fully paid.

Companies which hold an interest in the capital of the Company and their percentage ownership, are as follows:

	31.12.14	31.12.13
	Percentage ownership	Percentage ownership
Kutxabank S.A.	42.83%	42.83%
Araba Gertu S.A.	7.07%	7.07%
Grupo Kutxabank	49.90%	49.90%
International Cable B.V.	48.10%	48.10%
Iberdrola S.A.	2.00%	2.00%
Total	100.00%	100.00%

The Company manages its capital with the aim of safeguarding its capacity to continue operating as a going concern, so as to continue providing shareholder remuneration and benefiting other stakeholders, while maintaining an optimum capital structure to reduce the cost of capital.

To maintain and adjust the capital structure, the Company can adjust the amount of dividends payable to shareholders, reimburse capital, issue shares or dispose of assets to reduce debt.

Like other groups in the sector, Euskaltel controls its capital structure on a leverage ratio basis. This ratio is calculated as net financial liabilities divided by total invested capital. Net financial liability is the sum of borrowings plus trade and other payables, plus other current liabilities and, less cash and cash equivalents. Total invested capital is the sum of equity plus net debt.

During 2014 the strategy remained the same as in 2013: The ratios are calculated as follows:

	2014	2013
Total Financial liabilities	318,668	401,823
Less: Cash and cash equivalents	(10,650)	(6,289)
Net financial liabilities	308,018	395,534
Equity	647,490	614,613
Total invested capital	955,508	1,010,147
Debt ratio	0,3	0,4

The decrease in the debt ratio is mainly due to the positive results of the Company (Profit for the year: Euros 40.6 million) and the cash generation (Free cash flow for debt service, understood as net cash flow from operating activities and investing activities : Euros 89.1 million).

10.2 Share premium

In accordance with prevailing legislation, the share premium is a freely-distributable reserve, provided that equity exceeds capital.

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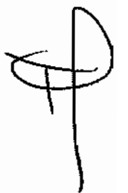
10.3 Retained earnings

Details of this caption are as follows:

	31.12.14	31.12.13
Legal reserve	32,534	27,524
Voluntary reserves	152,972	152,972
Prior years' losses	(29,255)	(66,539)
Profit for the year	36,783	42,294
Total	**193,034**	**156,251**

The legal reserve has been appropriated in compliance with article 274 of the Spanish Companies Act, which requires that companies transfer 10% of profits for the year to a legal reserve until this reserve reaches an amount equal to 20% of capital. Until the legal reserve exceeds the above limit, it may only be applied to offset losses if no other reserves are available.



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NOTE 11.- Interest Bearing Liabilities and Derivatives

11.1 Interest bearing liabilities

Details of the amounts accounted for under long and short-term borrowings are shown below:

	31.12.14	31.12.13
Loans and borrowings	243,336	303,715
Nominal amounts	247,500	309,333
Fees and commissions	(4,164)	(5,618)
Credit facilities and interest accrued	387	23,265
Other items	37	70
Total	243,760	327,050

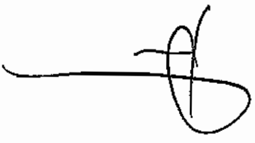
The carrying amount of the loans and borrowings and the other financial liabilities does not differ from their fair value, since they were arranged at market rates.

Details of bank loans and borrowings at 31 December 2014 are as follows:

	Loan 2007	Loan 2012	Bilateral loan 2013	Total
Entity	7 banks, including 3 banks of Kutxabank Group	Kutxabank	Sabadell Caixabank Caja Laboral Bankoa	
Contract date	25/07/2007	19/12/2012	22/03/2013	
Amount (in thousands of Euros)	150.000	130.500	69.500	
Term (years)	8,5	8	4	
Grace period (years)	6	5	3	
Repayment	6 equal half-yearly instalments as of 25/07/2013	6 equal half-yearly instalments as of 30/12/2017	3 equal half-yearly instalments as of 30/12/2016	
Maturity date	25/01/2016	30/06/2020	30/12/2017	
Interest rate	Variable pegged to Euribor	25% variable pegged to Euribor and 25% pegged to hedge 1.525%	25% variable pegged to Euribor and 25% pegged to hedge 1.051%	
Average interest 2013	2,68%	5,15%	5,15%	
Average interest 2014	2,70%	5,21%	5,21%	
Outstanding principal due	75,500	103,000	69,500	247,500
Short term	50,000	-	-	50,000
Long term	25,000	103,000	69,500	197,500

Details of bank loans at 31 December 2013 are as follows:

	EIB loan 1999	Loan 2007	Loan 2009	Bilateral loan 2009	Bilateral loan 2010	Loan 2012	Bilateral loan 2013	Total
Entity	European Investment Bank	5 banks, including Kutxabank Group	9 banks, including Kutxabank Group	Banco Santander	Banesto	Kutxabank	Sabadell Caixabank Caja Laboral Bankoa	
Contract date	17/12/1999	25/07/2007	30/06/2009	30/09/2009	18/12/2009	19/12/2012	22/03/2013	
Amount (in thousands of Euros)	120.000	150.000	130.000	4.000	5.000	130.500	69.500	
Term (years)	15	8,5	5	5	5	8	4	
Grace period (years)	5	6	2	2	2	4	3	
Repayment	10 equal annual instalments as of 15/12/2005	6 equal half-yearly instalments as of 25/07/2013	6 equal half-yearly instalments as of 30/12/2011	6 equal half-yearly instalments as of 30/12/2011	6 equal half-yearly instalments as of 30/12/2011	6 equal half-yearly instalments as of 30/12/2017	3 equal half-yearly instalments as of 30/12/2016	
Guarantees	Guarantee syndicated by 9 banks, including Katxabank Group	-	-	-	-	-	-	
Maturity date	15/12/2014	25/01/2016	30/06/2014	30/06/2014	30/06/2014	30/06/2020	30/12/2017	
Interest rate	Variables at each repayment	Variable pegged to Euribor	Variable pegged to Euribor	Variable pegged to Euribor	Variable pegged to Euribor	25% variable pegged to Euribor and 25% pegged to hedge 1.525%	25% variable pegged to Euribor and 25% pegged to hedge 1.051%	
Average interest 2012	0,85%	2,93%	2,18%	2,14%	2,18%	n/a	n/a	
Average interest 2013	0,34%	2,69%	1,90%	1,88%	1,90%	5,15%	5,15%	
Outstanding principal due	12,000	125,000	21,667	666	833	79,667	69,500	309,333
Short term	12,000	50,000	21,667	666	833	-	-	85,166
Long term	-	75,000	-	-	-	79,667	69,500	224,167



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On 19 December 2012 the Company signed a Euros 200 million loan contract with Kutxabank, which was broken down in two tranches as follows:

- Tranche A, of Euros 125 million, for the repayment of a short-term loan obtained in 2012 to cover cash requirements deriving from the resolution of a lawsuit involving France Telecom. The full amount of this loan has been drawn down since 31 December 2012.
- Tranche B, with a limit of Euros 75 million. A drawdown schedule for this amount has been set until 2016, based on repayments corresponding to Kutxabank's share of the 2007 and 2009 loans. Euros 47.5 million have been drawn down on this tranche at 31 December 2014 (Euros 24.5 million at 31 December 2013).

The combined repayment of tranches A and B will be made in six half-yearly instalments starting in December 2016.

On 22 March 2013, the Company signed a non-extinguishing novation addendum to the aforementioned contract entered into with Kutxabank on 19 December 2012, which modified certain terms of the aforementioned contract, particularly those referring to the loan principal (down from Euros 200 million to Euros 130.5 million by reducing tranche A by Euros 69.5 million) and, consequently, the repayment schedule, according to which the loan will be repaid in six half-yearly instalments starting in December 2017, the first of which amounts to Euros 5.5 million and the remaining instalments Euros 25 million each.

The interest rate is pegged to Euribor plus a market spread payable in half-yearly instalments at the end of each period due.

In conjunction with this addendum, on 22 March 2013 the Company signed four long-term bilateral loans for a total of Euros 69.5 million with the following entities: Banco Sabadell (Euros 25 million), Caixabank (Euros 25 million), Caja Laboral (Euros 12 million) and Bankoa (Euros 7.5 million). These bilateral loans will be repaid in three half-yearly instalments starting in December 2016. These loans and the aforementioned long-term credit facility signed on 19 December 2012 share the same terms and conditions.

In addition to these loans, the Company has other undrawn credit facilities as at 31 December 2014 (drawn by Euros 22.848 Thousand in 2013) with a total limit of Euros 120 million (110 million in 2013).

In relation and proportion to these contracts, in 2013 the Company contracted interest rate swaps on 75% of the loan limits, over the terms of the loans, at a cost in terms of margin of 25 basis points.

11.2 Derivatives

Details of cash flow hedges at 31 December 2014 and 2013, comprising interest rate swaps, are as follows:

			Fair values			
			2014		2013	
Start date	Maturity date	Notional	Assets	Liabilitie	Assets	Liabilitie
30/06/2013	30/06/2020	97,875	-	-192	-	-562
22/03/2013	29/12/2017	37,500	-	-794	-	-331
22/03/2013	29/12/2017	14,625	-	-5,240	92	-
		150,000	-	(6,226)	92	(893)

This contract also provides that any surplus cash generated during the term of the loan and calculated in accordance with the terms of the aforementioned contract be used to settle the amount drawn down on the credit facility.

NOTE 12.- Share-based Payment Transactions

On July 2013 and on October 2014 the Company awarded certain incentives (the Plans) to members of the management committee, board members and other key employees. These incentives have materialised in an Investment Plan and an Incentive Plan. The goal of the Investment Plan is to encourage the fulfilment of the Company's business goals and to align the long-term interests of the beneficiaries with those of the shareholders. Those participating in the Investment Plan assume a position equivalent in economic terms to those of a shareholder, acquiring a proportional investment in the revaluation of the Company and assuming the risk of losing their own investment in the event of downward trends in the Company's performance. The Incentive Plan aims to ensure the involvement and support of a motivated management team focused on fulfilling the Company's business plan, as well as motivating and retaining those considered to be key to the Company's progress. To benefit from the Incentive Plan, those invited to participate must also join the Investment Plan. The Plan will entitle them to participate in any appreciation in the Company's share value between the grant date and 31 December 2025, with the possibility of extending the vesting date by another five years at the request of the board of directors. The beneficiaries' participation in the Plan is conditional upon payment of certain amounts in respect of an initial price partially financed through the granting of loans that accrue the legal rate of interest. At 31 December 2014 the liabilities related to the amounts to be paid to the beneficiaries of the Plan amount to Euros 12.2 million, the result of adding the Euros 4.4 million contributed by the beneficiaries to the Euros 7.8 million expense accrued and recognised to date. The beneficiaries of the 2013 Plan paid an amount of Euros 2.8 million. However, at the end of 2013 period, the fair value of the liability to be recognised did not differ substantially from the aforementioned amount, and it was therefore not necessary to recognise any expense in the year ended 31 December 2013.

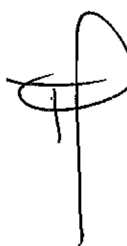
At 31 December 2014 the loans granted in relation with share-based payment transactions amount to Euros 2.7 million (Euros 1.9 million in 2013) and have been booked under non-current financial assets.

Upon expiration of the Plan, the beneficiaries who remain in service will receive the difference between the application of a percentage based on the underlying net book value of the Company, adjusted for any dividends distributed, transaction costs and other items stipulated in the agreements signed by the parties, and the amounts paid by the beneficiaries at the grant date. Furthermore, if an exit event occurs during the term of the Plan, the beneficiaries will receive remuneration based on the increase in value of the Company's shares. In this regard, an exit event is understood to be:

- The transfer of shares by shareholders with more than a 5% interest that would represent over 50% of their interest in the Company, provided that the cash consideration agreed were over 50%; or
- The public offering of over 50% of traded shares.

The accrued expense relating to acquired commitments was calculated using the formulae contained in the plans' regulations, the main assumptions for which are the appreciation of shares and the duration of the accrual period, both of which are subject to an important degree of judgment. In this regard, the Company's directors considered that, according to the information available at the reporting date, the exit event would occur in 2018. The appreciation of the shares has been calculated by reference to the valuation of comparable entities. The following table, in millions of Euros, shows a sensitivity analysis for three different scenarios to illustrate the effect of the variations in the accrued expense that would arise in the event that the valuation of the Company deviated from the estimated valuation.

	Scenario 1	Base scenario	Scenario 2
Estimate of total expenditure to accrue	6.74	26.70	58.81
Estimate of accrued expenditure	2.00	7.83	16.17
Expenditure recognised (note 17.7)	(7.83)	(7.83)	(7.83)
Difference	**(5.83)**	**-**	**8.34**



In this regard:

- Base scenario: represents the valuation of the Company based on the average for comparable entities;

- Scenario 1: represents the valuation of the Company based on minimum values for comparable entities, which would reflect a valuation 27% lower than that considered in the base scenario;
- Scenario 2: represents the valuation of the Company based on maximum values for comparable entities, which would reflect a valuation 44% higher than that considered in the base scenario.

The estimate of the total expense to be accrued is equivalent to the amount that would result from applying the formulae contained in the plan's regulations, taking into account the Company's valuations assigned to the different scenarios. The estimate of the accrued expense corresponds to the accrual of the total expense attributable to the plans awarded during 2013 and 2014, taking into account that from the award date to the reporting date, a total of 18 months and 3 months, respectively, have elapsed.

As disclosed in note 22, at their meeting held on 3 February 2015 the directors took the decision to explore a possible stock exchange flotation, something which is estimated will take place prior to mid-July 2015. In accordance with the established schedule, the percentage of shares to be floated will probably be determined on 10 June 2015, i.e. subsequent to the approval of these annual accounts by the shareholders at their annual general meeting, which will be held immediately after these annual accounts are authorised for issue.

Considering the decision adopted by the Company in the first quarter of 2015, a re-estimation has been made of the potential impact of the above circumstance on the total estimated expense to be accrued and the estimated accumulated expense that should be recognised at the end the first quarter of 2015 (estimated expense accrued), which has resulted in the recognition of an additional expense of Euros 12.46 million in 2015 to the Euros 7.83 million already recognised in the income statement for 2014. The recognition of additional expenses in the first quarter of 2015 is a result of new information made available after the reporting date, information that did not match the Company's expectations at the close of the year ended 31 December 2014. Therefore, in accordance with prevailing accounting principles, the accumulated effect of the expenses necessary to recognise the obligations existing at the close of the mentioned interim period was recognised with a charge to income statement for the first quarter of 2015.

NOTE 13.- Trade and Other Payables

Details of the amounts included under this caption are shown below:

	31.12.14	31.12.13
Trade payables	38,670	46,734
Suppliers of fixed assets	20,079	14,255
Total	**58,749**	**60,989**

NOTE 14.- Taxation

14.1 Income tax and taxation

A reconciliation of net income and expenses to taxable income is as follows:

	31.12.14			31.12.13		
	Increases	Decreases	Total	Increases	Decreases	Total
Profit before tax			49,935			57,366
Permanent differences	94	-	94	211	-	211
Temporary differences	7,832	(8.940)	(1,108)	453	(435)	18
Operating losses carryforwards			(44,102)			(40,315)
Taxable income			4,819			17,280

Current income tax expense calculation for 2014 and 2013 is as follows:

	2014	2013
Taxable income at 28%	1,349	4,838
Deductions	(1,349)	(2,373)
Total	-	2,465

Income tax for the year is calculated as follows:

	2014	2013
Current tax	-	2,465
Deferred tax	13,205	12,630
Other adjustments	(53)	(23)
Total	13,152	15,072

At 31 December 2014 and 2013 the Company has unused limited and unlimited income tax deductions for investments and other items as follows:

Year of origin	31.12.14	31.12.13
1999	1,577	2,184
2000	17,265	17,265
2001	23,002	23,002
2002	10,399	10,399
2003	17,310	17,310
2004	16,388	16,388
2005	12,512	12,512
2006	9,927	9,927
2007	12,760	12,760
2008	13,920	13,920
2009	773	773
2010	949	949
2011	1,063	1,063
2012	832	832
2013	951	-
Total	139,628	139,284

Euros 136.8 million of the aforementioned deductions have been capitalised at 31 December 2014 (Euros 137.4 million in 2013). The Company has also capitalised amounts relating to tax loss carryforwards of Euros 31.6 million, which were incurred in 2011. At 31 December 2014 and 2013 there are no tax loss carryforwards pending recognition

Capitalization is based on the Company's annual recoverability analyses, considering estimated future tax profits. Estimates made by the company indicate that the Company will avail of sufficient future taxable profit to offset the tax credits capitalised at the closing date.

The tax law applicable to the corporate income tax returns for the year for the Company is Regional Law 11/2013, of 5 December, applicable in the Territory of Biscay. Due to modification in the tax legislation, tax credits in respect of loss carryforwards and deductions expire in 15 years from 1 January 2014 onwards.

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14.2 Deferred tax

Movement of deferred tax assets is show below:

	31.12.12	Additions	Reversals	31.12.13	Additions	Reversals	31.12.14
Deferred tax assets							
Share based payment	-	-	-	-	2,193	-	2,193
Hedging instruments	-	249	-	249	1,492	-	1,741
Other	1,804	146	(122)	1,828	392	(774)	1,446
	1,804	395	(122)	2,077	4,077	(774)	5,380
Operating losses carryforward	31,934		(10,740)	21,194		(12,357)	8,837
Investment tax credits	139,276		(1,888)	137,388		(605)	136,783
	173,014	395	(12,750)	160,659	4,077	(13,736)	151,000
Deferred tax liabilities							
Other	-	(26)	-	(26)	-	26	-
Installment sales	-	-	-	-	(2,079)	-	(2,079)
	173,014	369	(12,750)	160,633	1,998	(13,710)	148,921

Changes in deferred tax assets accounted for against other comprehensive income amounts to Euros 1.5 million (Euros 0.2 million in 2013).

The amount of deferred taxes estimated to be reversed in more than one year amounts to Euros 137.5 million.

NOTE 15.- Income and Expenses

15.1 Revenues and other income

Revenues total Euros 315,109 thousand, all generated in the domestic market (Euros 329,148 thousand in 2013).

For "Revenue, other income & work performed by the entity and capitalized" distributed by segments please refer to note 17.

15.2 Supplies

	31.12.14	31.12.13
Merchandise used	19,784	19,218
Purchases	18,967	17,181
Change in inventories	817	2,037
Subcobtracted work	52,737	54,213
Interconnection costs	41,501	42,690
Other supplies	11,236	11,523
Impairment of mechandise	(997)	(413)
Total	71,524	73,018

15.3 Personnel expenses

	31.12.14	31.12.13
Salaries and wages	24,352	27,885
Other employee benefits expense	5,966	6,494
Total	**30,318**	**34,379**

The average headcount, distributed by category, is as follows:

	2014	2013
Directors	35	32
Managers	41	45
Other professionals	424	470
Total	**500**	**547**

During 2014 agreements have been reached with strategic partners in the areas of information technology (with the French multinational GFI) and network management and maintenance (with the Chinese multinational ZTE). Through these agreements Euskaltel, S.A. have shared know-how and completed two externalization projects that involved the transfer of Company's employees from these areas of activity to these companies.

As a result at 31 December 2014, the Company's headcount stands at 352 employees, 194 less than in 2013, of which 28 were voluntary redundancies and 166 which were transferred to the two aforementioned multinationals. These latter employees continue to avail of the same working conditions as in Euskaltel and with the assurance that their job security will not be jeopardized.

15.4 Other operating expenses / (income)

	31.12.14	31.12.13
Advertising	7,196	11,416
Repairs and maintenance	18,955	21,612
Services provided by third	22,322	23,738
Other external services	9,954	10,534
Taxes	3,028	3,213
Losses, impairment and changes in trade provisions	2,014	1,848
Other results	1,143	(1,415)
Total	**64,612**	**70,946**

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15.5 Net finance cost/income

Details are as follows:

	31.12.14	31.12.13
Finance income	179	234
Investments in equity instruments	-	129
Marketable securities and other financial instruments	36	95
Exchange gains	-	10
Gains on disposal of financial instruments	143	-
Finance costs	23,443	16,173
Loans and borrowings	14,378	15,553
Impairment and loss on disposal of financial instruments	-	40
Changes in fair value of financial instruments	1,224	580
Exchange losses	9	-
Other (note 12)	7,832	-

NOTE 16.- Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares outstanding during the year.

Details of the calculation of basic earnings per share are as follows:

	2014	2013
Profit for the year (in thousands of euros)	36,783	42,294
Weighted average number of ordinary shares outstanding (in thousands)	6,327	6,327
Basic and diluted earnings per share	5.81	6.68

There are no dilutive effects and consequently there is no difference between basic and diluted earnings per share.

NOTE 17.- Segment Information

We are the Basque fiber and convergence leader and operate in one of the most affluent regions in Spain. We offer primarily bundled services comprised of high-speed broadband, Pay TV, mobile and fixed telephony services to residential and business customers ("Small Office / Home Office - SOHOs", "Small and Medium-sized Enterprises -SMEs", large accounts and public sector entities), as well as the wholesale market.

The Company considers the operating segments listed below:

Residential segment

We provide our residential customers with a combination of fixed and mobile telecommunication services, as well as other value added services, primarily through our fiber network and our MVNO (Mobile Virtual Network Operator) agreement. We mainly offer bundles to our residential customers. We offer customers the opportunity to subscribe to a variety of "bundled" packages, which provide them with multiple services (broadband internet, Pay TV, mobile telephony and fixed telephony) charged in a single bill and at competitive prices.

Business segment

We also provide fixed and mobile telecommunication services to SOHOs, SMEs and large corporate accounts, leveraging our fiber network. For SMEs and large accounts, through our own salesforce, we are able to offer integrated and tailor-made solutions to a sophisticated and demanding customer base, which includes financial institutions, large companies, healthcare providers and public administration bodies.

- *SOHOs:* We have a specific product offering for small businesses (under ten employees), which includes premium technical support, online presence and email services. As with the residential segment, we offer customers the opportunity to subscribe to a variety of "bundled" packages, which provide them with multiple services (broadband internet, Pay TV, mobile telephony and fixed telephony).
- *SMEs*: We provide a range of customized solutions for medium-sized businesses (ten to 40 employees) with relatively high technological requirements. These services include broadband access of up to 250Mbps, fiber access of up to 1Gbps symmetric, MPLS Network, fixed-mobile convergence ("FMC"), IP Switch and advanced IT services.
- *Large accounts*: Our large accounts customers comprise both public administration bodies and large companies. Our large accounts customers have high technological requirements and we devise tailor-made solutions according to each customer's specific needs. These include fiber access of up to 1Gbps symmetric, FMC, SIP Trunking, MLPS networks, cloud firewall and virtual data centers. We sell these services directly through our own large accounts salesforce, which includes highly-qualified engineers, across the life cycle of a project (pre-sale, implementation and post-sale).

Wholesale and Other

We provide communications services including leased lines, data and voice services to other telecommunications operators that use our facilities and infrastructure to provide services to their customers. A portion of our wholesale segment revenues is generated by a number of large telecommunication companies, most of who compete directly with us. We provide Leased Lines services in SDH (Synchronous Digital Hierarchy) and Ethernet technologies, Dark Fiber, Voice Services (that allow carriers to complete their end-user calls that originate or terminate within our territory) and Enabling Services, based in our BSS and Mobile Core Network. In addition, we offer services such as collocation and voice resale. Finally, by virtue of our agreement with RACC, we also offer mobile services in Catalonia using the "RACC Móvil" brand.

Others

We sell installation material and electronics to third-party installation companies to be used in provisioning customers and deploying and maintaining our next generation fiber network.

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The information contained in this note describes how the Company is organised in terms of decision-making and takes into consideration the business parameters that general management and the executive committee (person/body responsible for decision-making) use when making management decisions.

This segmentation, in terms of the income statement, refers exclusively to income, as the structure of operating assets and expenses generally applies indistinctly to the different sectors of activity. For this reason, the Company analyses business margins as a whole.

A detail of the management profit and loss account broken by segments is as follows:

	2014	2013
Revenue, other income & work performed by the entity and capitalised breakdown		
Residential	196,190	195,390
Business	93,383	101,214
o/w SoHos	*35,551*	*36,756*
o/w SMEs	*18,537*	*18,203*
o/w Large Accounts	*39,294*	*46,254*
Wholesale and Other	24,730	29,669
Others*	6,858	8,618
Total	**321,161**	**334,891**
Costs breakdown		
Direct costs	(75,507)	(75,816)
Gross profit	**245,654**	**259,075**
% margin	*76,5%*	*77,4%*
Commercial Costs	(36,364)	(42,778)
Contribution margin	**209,290**	**216,298**
% margin	*65,2%*	*64,6%*
Overhead Costs	(53,441)	(61,164)
EBITDA	**155,850**	**155,134**
% margin	*48,5%*	*46,3%*
Depreciation, amortisation and impairment	(81,508)	(83,243)
Other non recurring (costs) / income	(1,143)	1,415
Results from operating activities	**73,199**	**73,305**
Net Finance Cost	(23,264)	(15,939)
Profit before income tax	**49,935**	**57,366**
Income tax	(13,152)	(15,072)
Profit for the year	**36,783**	**42,294**

** Operations with neutral impact on profitability*

Direct costs includes concepts such us network costs, mainly interconnection costs, TV content costs which consists primarily of license payments for programming, costs relating to our use of frequencies pursuant to our spectrum concessions and local taxes applicable to telecommunications companies in each of the municipalities in which we operate, the costs derived from the purchase of mobile terminals, as well as all costs we incur from providing services to third parties.

Commercial costs comprise commissions related to capture new customers paid to our external channel distributors (subscriber acquisition costs), costs relating to advertisements, campaigns and other marketing materials the cost of our customer service operation and costs related to maintaining the quality of services provided to our clients and resolving breakdowns in our services.

Overhead costs are made up of wages and salaries, costs relating to the maintenance and correction of our fiber network, costs for the lease of nodes and other network infrastructure, costs for the maintenance of infrastructure of hardware and software licenses, as well as preventive and corrective maintenance of IT systems, cost for sponsorship, electricity consumption and consulting and travel expenses.

NOTE 18.- Commitments

18.1 Sale/purchase commitments

At the reporting date, the Company has signed sale-purchase contracts for the following items and amounts, all of which are related to current operations:

	31.12.14	31.12.13
Intangible assets	182	275
Property, plant and equipment	8,800	3,541
Inventories	1,697	407
Total	**10,679**	**4,223**

The Company has no commitments to sell assets.

18.2 Operating lease commitments

The Company mainly rents locations for its node equipment under operating leases. These contracts have a term of between 10 and 30 years, which is considered to be significantly less than the economic life of the buildings in which the aforementioned equipment is located.

Future minimum payments under operating leases are as follows:

	31.12.14	31.12.13
Less than 1 year	2,140	2,265
1-5 years	9,844	10,202
Over 5 years	14,666	17,528
Total	**26,650**	**29,995**

Operating lease instalments of Euros 4.266 thousand have been recognised as an expense for the year (Euros 4,411 thousand in 2013).

NOTE 19.- Related Parties

19.1. Key management personnel compensation

Key management personnel compensation comprises the following:

	Board of Directors		Other key management	
	2014	2013	2014	2013
Short-term employee benefits	663	500	5,909	4,935
Share based payments	2,194	-	5,638	-
	2,856	**500**	**11,547**	**4,935**

The board of directors have also received Euros 0.7 million in repayable loans (Euros 0.7 million in 2013) in relation with the share based payment transaction mentioned in note 12 which are accounted for under the caption financial assets non-current. Repayable loans granted to other key management personnel in relation with these transactions amounted to Euros 2.0 million (Euros 1.3 million in 2013).

The Company has no pension or life insurance commitments with key management personnel.

19.2 Other related party transactions and balances

During the years ended 31 December 2013 and 2014 the Company carried out the following transactions with their shareholders:

	Transaction value		Balance outstanding	
	2014	2013	2014	2013
Revenues	9,498	9,993	8	261
Fees	(355)	(400)	(50)	(185)
Otros expenses	(55)	(74)	-	-
Finance income	1	-	-	-
Finance expense	8,564	7,684	(387)	(417)

Balances payable in relation with the borrowings granted by the Company's shareholders are as follows:

	2014		2013	
	Current	Non-current	Current	Non-current
Kutxabank Group	17,744	115,125	22,682	104,978
Total	**17,744**	**115,125**	**22,682**	**104,978**

Cash equivalents include an amount of Euros 8.9 million in relation with short-term investments held with Company' s shareholders (Euros 5.7 million in 2013).

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NOTE 20.- Guarantees

The Company is required to extend certain guarantees as part of its normal activity as well as to public entities for participating in invitations to tender and spectrum auctions as a result of legal obligations deriving from its participation in the telecommunications sector and for the licences to roll out its networks, as well as to comply with its long-term contract commitments with service providers.

During 2014 the Company has provided guarantees to safeguard the working conditions of the employees included in the personnel transfer agreements mentioned in note 15.3.

The Company considers that no additional liabilities will arise as a result of the aforementioned guarantees.

NOTE 21.- Reconciliation of IFRS to Local GAAP

Pursuant to prevailing Spanish legislation, the Company is obliged to prepare individual financial statements in accordance with the accounting principles established in the Spanish General Chart of Accounts and other applicable regulations. In this regard, on 1 June 2015 and 31 March 2014, the directors of the Company authorised for issue the annual accounts for the periods ended 31 December 2014 and 2013, respectively. Furthermore, within the context of the stock exchange flotation mentioned in Note 2, on 1 June 2015 the directors of the Company authorised for issue the financial statements for the year ended 31 December 2012 in accordance with IFRS-EU, with 1 January 2011 being considered the date of first application.

A reconciliation between equity in accordance with prevailing Spanish accounting principles and the equity recognised in the accompanying balance sheets for the years ended 31 December 2014 and 2013 is shown in the following table:

	31.12.14	31.12.13
Equity (local GAAP)	**647,490**	**614,613**
Reserves	64,381	72,179
Other comprehensive income	(56,830)	(64,381)
Profit for the year		
Investment tax credits	(7,551)	(7,798)
Equity IFRS-EU	**647,490**	**614,613**

In accordance with Spanish accounting principles, the investment tax credits stipulated in tax legislation can be recognised as a reduction in the current income tax expense. Alternatively, the amount of investment tax credits can be initially recorded with a charge to other comprehensive income and subsequently recognised in the income statement as a reduction in the current income tax expense. The directors of the Company used this latter criteria when preparing the annual accounts for local GAAP purposes. The accounting treatment of investment tax credits is not defined in IFRS-EU. Nevertheless, taking into account that the aforementioned tax credits are available to all entities and not associated with fulfilling additional requirements other than the investment itself, the directors of the Company consider that investments tax credits are in substance a reduction in income tax more in line with IAS 12 (Income Taxes) than with IAS 20 (Capital Grants). Consequently, reserves have been increased and other comprehensive income and income tax decreased by amounts of Euros 64.4 million, Euros 56.8 million and Euros 7.6 million, respectively (Euros 72.2 million, Euros 64.4 million and Euros 7.8 million, respectively, in 2013).

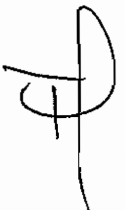
NOTE 22. Events after the reporting period

The Board of Directors at their meeting held on February 3, 2015 agreed, among others, to explore the possibility of carrying out a public offering of the company's shares on the Spanish stock market. The Board therefore agreed to contract an external advisor to help the company and coordinate all the actions required to prepare the Initial Public Offering (IPO).

The key milestones in the company since then have been the following:

- Lawyers and financial advisors have been contracted for the company
- Selection and appointment of the banks to coordinate and placement of the shares among the interested potential investors
- Adaptation of the Company to the new requirements of Corporate Government and the Stock Market regulator
- Presentations of the Company to the banks involved in the IPO and financial analysts
- Preparing the share offer explanatory leaflet
- Exploring the interest in the investment market, holding meetings with possible leading institutional investors
- Converting and preparing the financial statements of the Company for the financial years ended as of 31 December 2012, 2013 and 2014, along with those for the first quarter of 2015 (as of 31 March 2015), pursuant to international accounting standards, in order to make it easier for international investors to understand them.

It is forecast that the process that will lead to the Company's shares being traded on the stock exchange will conclude prior to mid-July 2015. In the event the stock exchange flotation goes ahead, and with the prior authorization of the Board of Directors the Company intends to refinance its bank debt. The estimated amount of the refinancing is Euros 470 million, which would be used to cancel the financial debt existing at the time of the flotation, amounting to approximately Euros 232 million, with the remainder being used to cover certain payments relating to the public listing and refinancing expenses (between Euros 16 and 65 millions) and the possible payment of an extraordinary dividend (between Euros 173 and 223 millions, with a charge to freely-available reserves).



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Derio, 1 June 2015

In the context of a potential listing on the Madrid stock exchange, and to comply with requests of information by third parties, the directors of Euskaltel, S.A. have prepared for issue the Financial Statements comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and the notes thereto of the Company for the years ended 31 December 2014 and 2013, at the board of directors meeting held at the above date.

The directors declare that they have signed each of the above-mentioned documents in their own hand, and in witness thereof sign below.

Signed:

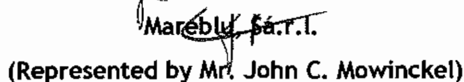
Mr. Alberto García Erauzkin
(Chairman)

Mr. Richard David Alden

Ms. Alicia Vivanco González

Mr. Alfonso Basagoiti Zavala

Mr. Javier Bañón Treviño



Mareblu, Sà.r.l.
(Represented by Mr. John C. Mowinckel)

Ms. D.ª Bridget Cosgrave

Mr. José Ángel Corres Abasolo

Ms. D.ª Belén Amatriain Corbi

Mr. Iñaki Alzaga Etxeita