



EUSKALTEL, S.A. (Euskaltel or the Company), pursuant to the provisions of article 228 of the rewritten text of the Spanish Securities Market Act, approved by Royal Legislative Decree 4/2015 of 23 October, hereby communicates the following

SIGNIFICANT EVENT

Euskaltel informs that it has initiated discussions with Zegona Communications plc for the possible acquisition, directly or indirectly, of Telecable de Asturias, S.A., without, as of today, having reached any agreement that could be communicated and there is no certainty that such agreement will be achieved.

In the event of an agreement being reached, it would be communicated without delay pursuant to the applicable legislation.

Derio, March 14, 2017.

EUSKALTEL, S.A.

Francisco Javier Allende Arias
Secretary to the Board of Directors