



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

Establishment of Euro Commercial Paper Programme -ECP

Euskaltel has established a Programme for the issuance of short term commercial paper (Euro-Commercial Paper Programme -ECP- "**the Programme**"), as per the authorization granted by the Board of Directors on 22 February 2017.

The Programme has been registered today in the Irish Stock Exchange and, among other things, will have the following basic characteristics, depending on each issue:

- (a) Issuing Currency: euro or any other currency.
- (b) Issued with different maturities (no greater than 364 days).
- (c) Governed by English law.

The maximum amount of the Programme is €200 million, which will be used as an alternative of bank financing for working-capital needs.

Banca March, S.A., Banco Sabadell, S.A., Banco Santander, Credit Agricole Corporate and Investment Bank, ING Bank N.V and Norbolsa S.V. act as Dealers.

Derio, 14 March 2017.

EUSKALTEL, S.A.

Francisco Javier Allende Arias
Secretary of the Board of Directors